Dimensions (UK) Limited

Report and Financial Statements

for the year ended

31 March 2021

Proving life can get better

Co-operative & Community Benefit Society Number: 31192R

Dimensions (UK) Limited
Co-operative & Community Benefit Society Number 31192R
Balance Sheet at 31 March 2021

Dimensions (UK) Limited
Statutory Information

The Board	Nick Baldwin CBE (Chair) Anne Barnard (retired 23rd September 2020) Gordon Lyle (Senior Independent Director) Kevin Lewis Sherry Malik Calum Mercer Delyth Lloyd Evans Steve Scown (Executive) Shain Wells – co-opted Member Angela McNab (appointed 1st August 2020) Noah Franklin (appointed 23rd September 2020) David Isenegger (appointed 25th November 2020) Anne Wafula-Strike – co-opted member (appointed 28th January 2021)	
Executive Directors	Steve Scown Ian Goodacre Stella Cheetham Jackie Fletcher Rachael Dodgson Chris Woodhead Luke Joy-Smith Helen Orford	Group Chief Executive Officer Group Chief Financial Officer Group Director of People and Organisational Development Group Director of Quality, Public Affairs and Marketing Managing Director – Dimensions UK Group Director of Housing and Business Development Discovery Managing Director (until 4th January 2021) Discovery Managing Director (from 4th January 2021)
Company Secretary	Jo Greenbank	
Principal and Registered Office		1430 Arlington Business Park Theale Reading RG7 4SA
Bankers	National Westminster Bank Plc 13, Market Place Reading RG1 3BB	HSBC Apex Plaza, Forbury Road Reading, RG1 1AX
Solicitor		Trowers & Hamlins 3 Bunhill Row London, EC1Y EYZ
Auditor		KPMG LLP 66 Queen Square Bristol, BS1 4BE
Internal Auditor		BDO LLP 55 Baker Street, London, W1U 7EU
Co-operative & Community Benefit Society Number		31192R
Regulator of Social Housing Number		4648

Our 2020/21 year has been one of the most challenging of Dimensions' history as we have strived to provide high quality, personalised support for people with a learning disability and/or autism through the unprecedented disruption of the Coronavirus pandemic. We are proud of our approach to this unique challenge. The Group's call to action required an enormous, concerted energy that drew upon all its resources and the good will of people we support and their families. The response has been inspiring.

When the virus became apparent, we swiftly set ourselves three high level interim objectives:

- to keep as many of the people we support alive as possible;
- to care for and support our workforce to keep them focussed upon our first aim;
- to emerge from the crisis as a strong, resilient fit-for-purpose provider.

It is pleasing that the Group united in these aims but COVID has proven to be an incredibly formidable foe. Some people that we supported and employed died of the virus and our workforce, people we support and their families have experienced a very high level of emotional and physical fatigue. We know that adjustment and recovery will take a long time.

The last objective of emerging from the crisis as resilient and fit-for-purpose is the primary context to these accounts. One of the things we are pleased about in our response to the virus is that Dimensions did not become so distracted by its challenges that it neglected to give necessary attention to the future.

However, before highlighting some of the Group's achievements, there is a key, positive change to our risk profile which is worthy of mention here. Dimensions, like every provider that employs people to deliver sleep-in shifts in its services, has been awaiting the outcome of *Tomlinson-Blake v Mencap*. This complex case required the Supreme Court to consider whether 'sleep-in' time should be classified as working time for the purposes of National Minimum Wage regulations. For years our stress-testing has needed to model the impact of any judgement and this had led the Group to report a contingent liability of between £5.3m to £8.8m in the 2019/20 accounts. On 19 March 2021 the ruling was announced, declaring that sleep-in workers are only entitled to the National Minimum Wage when awake. This clarity has enabled the Group to remove the contingent liability and move forward.

In the shadow of COVID, 2020/21 was the first year of implementation for our Group Strategy – Better Lives for More People. The strategy, focused upon applying Dimensions' strength to the greatest opportunity to create value, is ambitious: it recognises that the biggest challenge in our sector is to find, recruit and retain great people who can deliver great support within significant financial constraints and seeks, in response, to hone our status as a great organisation to work for. The strategy sets out clear aims, aligned to Pillars (Quality, Reputation, Scale, Capacity and Sustainability) that, when successfully implemented, will strengthen the Group and its offer to the sector.

Given the wide operational and demand disruption that COVID has created, through which so many working practices have changed across industries, it is important to be clear that, in the Board's assessment, Better Lives for More People continues to be the right strategy for Dimensions. Accordingly, the pages that follow – in particular the Value for Money Statement – focus upon outcomes within each of the Strategic Pillars, exploring their impact upon these accounts and the year to come. There are, however, some key messages to reiterate here:

Financial strength and resilience are core to any organisation's sustainability and we operate in a sector with small margins – so it is impressive to have attained an improved surplus despite COVID. This has been achieved through an admirable response from our workforce, quick adoption of some new, more efficient ways of working and some excellent partnership with local authority funders that includes the securing of uplifts for our care and support contracts. The Group's surplus, coupled with successful maintenance of our cash liquidity (including an un-drawn credit facility) above our target of 2 months of payroll costs, is commendable given the environmental challenges facing us.

Group turnover was achieved as forecast (£209.2m) and there is evidence of Dimensions reaping some benefits from its scale. Growth has understandably slowed in 2020/21 as the sector has diverted energy to fighting the virus, but we have continued to support more people and it has been especially pleasing to note that we commenced support for 26 people this year who joined us at a time of crisis in their lives and have supported 11 people to leave institutionalised environments. This growth, combined with an absence of both competitive attrition, negotiation of uplifts in our existent contract prices and the implementation of savings during the year, enabled our Group overhead to be contained at 5% of direct costs, enhancing both our competitiveness and our value for money offer to our commissioners.

The pandemic has redoubled the sector focus upon safety and Dimensions has been no exception. The Group's regulators echo this emphasis. Implementation of Dimensions' RADAR system has supported the systemisation of health and safety, delivering oversight, efficiency and enhanced compliance. The year 2020/21 has also seen significant investment in the Group's housing stock through compliance works and a stock condition survey upon which it new Asset Management Strategy is founded. This latter strand has been complemented by some excellent work with our trusted partners Altair, investing in strengthening our compliance with the Regulator of Social Housing's Regulatory Standards.

Although the Group placed a necessary emphasis upon risk through the pandemic, its commitment to quality endures. We have seen real innovation from our front-line colleagues in delivering active support despite COVID restrictions. We have continued to assess, adjust and support people to important life-goals and, through investment in assistive technology and our iPlanit system, have enabled families to engage remotely with their loved ones where safety requirements have prevented closer contact.

Our commitment to deliver beyond our boundaries has remained strong: our small Public Affairs Team has seen real success in our #MyGPandMe campaign, aimed at reducing inequality of access to health checks through training GPs to engage with people who have a learning disability or autism. Innovative use of e-learning played a big part in making this possible. In a year when health and well-being has been the ubiquitous theme, it is appropriate to make such a positive contribution to health equality.

However, Better Lives for More People and our pandemic objectives started with the need to attract, develop and retain great people to deliver great support. So it is here that, given the devastation of the pandemic, our achievements may be at their most significant. Voluntary turnover of staff reduced to 13%, less than half the sector average. Sickness reduced across the business, agency staff usage hit a record low Group-wide and time-to-hire figures (offer to start date) remained strong, using revised COVID-safe methodologies to stay agile in this critical task.

We know that a challenging employment environment can aid recruitment, so it is, perhaps, even more impressive that colleague engagement across the organisation has remained so high, taking into account the disruption of COVID. We have continued to be accredited as a Great Place to Work in the 'super large' category of the *Great Places to Work* Assessment. Helping colleagues be the best they can be is critical if we are to deliver our strategy. We believe it is fundamentally important to demonstrate how much we value the contribution of everyone who works for us and have continued to invest in both enhancement of the working environment and opportunities for colleagues to broaden their experience and skills – including our in-house accredited alternative to SCiP training and Isolation Care training.

It has also been pleasing to be able to reinvest some of our efficiencies in one-off recognition payments to our workforce as a way of acknowledging its incredible commitment through such a difficult time.

Lastly, as always, we have been privileged to work with a very wide range of partners in this most extraordinary of years, from other providers and commissioners to specialist advisers and researchers. Our thanks go to everyone who has worked with us over the past twelve months but especially our colleagues without whose caring, dedication, tenacity and innovation the last twelve months could have been very different.

There is much to appreciate but the challenges are unrelenting and the longer-term damage caused by COVID is still yet to fully emerge. The financial performance described in the pages that follow gives Dimensions a platform upon which to move forward and deliver Better Lives for More People.

Nick B

Nick Baldwin
Chair

Steve Scown
Group CEO

Overview of the Business

The principal activity of the Group ('Dimensions') is the provision of personalised support with housing through Dimensions (UK) Limited and its subsidiaries Outreach 3 Way Limited, Dimensions Somerset SEV Limited (trading as "Discovery"), Dimensions Cymru Ltd and Dimensions Personalised Support Limited. The business of Waymarks Limited, which was a subsidiary in 2020, was incorporated into Dimensions (UK) from 1st April 2021 and Waymarks Ltd was closed from that date.

Dimensions provides a wide range of services for adults with learning disabilities and/or autism, including those with complex needs. Dimensions is a not-for-profit organisation, supporting around 3,500 people and their families throughout England and Wales. The organisation enables people to be part of their community and to make their own choices and decisions about their own lives. Dimensions also provides supported employment services to help some of the people it supports to get a job.

As a Registered Provider of social housing, Dimensions provides accommodation for 925 people as set out below:

	Owned and directly managed by Dimensions	Owned by Dimensions but managed by other organisations	Managed by Dimensions for other organisations
Supported housing	561	9	235
Care homes	32	160	146
Total	**593**	**169**	**381**

Vision, Mission and Values

Dimensions' vision is better lives for more people. Its mission is to provide high quality personalised support for people with learning disabilities and autism, helping them to be actively engaged with, and contribute to, their communities.

Dimensions' values are:

Ambition	seeking to help people reach their potential
Respect	showing people respect and recognising that their unique contribution adds value to all
Courage	being guided by the courage of our convictions to make a difference
Integrity	ensuring that what we do is grounded in what we believe
Partnership	working with others to achieve more for people

Dimensions' 2025 strategy is underpinned by the following strategic pillars:

Quality	Better lives; impact for our sector
Reputation	Valued by stakeholders; a Group people want to work for and with
Scale	Supporting more people; ability to invest and deliver economies
Capacity	Capacity and capability to deliver where and when it matters
Sustainability	Sustainable for stakeholders; resilient in our environment

Dimensions' vision, mission and strategic pillars reflect its commitment to provide excellent personalised support for people and to provide a framework for its continuing development. During the year Dimensions has continued to secure new contracts and has drawn upon its significant experience to help these new services begin to adopt innovative person-centred practices. Staff, locally, work closely with personal budget holders and their families to design and implement the right support for them, provided in their preferred accommodation.

The organisation continues to develop its capacity and expertise to provide a range of services for people with particular needs such as autism, complex needs and behaviours of distress, young people in transition and people who wish to live independently.

Dimensions' network of experts by experience, help the organisation to continue to develop and improve how it works with families so it can achieve its aim of becoming a family-friendly organisation.

Financial Results for the Year

The Group achieved an operating surplus of £6,884k (2020: £3,727k). The total surplus recognised in the Income and Expenditure Account was £6,564k (2020: £3,898k). Within this surplus, Dimensions (UK) Limited, the Group Parent, made a surplus of £3,883k (2020: £2,869k).

A summary of Dimensions' financial results over the past four years is set out below:

	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Turnover	209,007	201,810	196,728	181,698
Operating surplus (before exceptional items)	**6,884**	**3,727**	**3,685**	**3,085**
Operating surplus (after exceptional items)	**6,884**	**3,727**	**3,685**	**3,085**

Dimensions' investment in its business development capacity continues to provide a good return and the organisation was able to secure new income.

Despite a healthy surplus for the year of £6,564k, the overall comprehensive income (and increase to reserves) was reduced to £1,882k by an increase in pension liability of £4,682k. This was mainly due to adverse changes in actuaries' financial assumptions (of inflation/discount rates) creating an increase in the liability of £7,419k, offset by returns on scheme assets of £2,213k and some smaller gains (see note 25).

Balance sheet highlights:

	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Cash and investments	30,022	19,223	23,039	20,660
Capital and reserves	**29,105**	**27,223**	**21,625**	**20,642**

With an emphasis on financial viability and risk management, rigorous stress testing is used to strengthen control over the key risks to the business. The impact of the principal risks and possible mitigating activities are considered below:

Principal Risks

The following risks represent those observed as significant by the Board:

Recruitment –whilst the challenge of recruitment has been eased slightly by the pandemic and increased unemployment, the resurgence of the hospitality and retail industries (recruitment competitors for Dimensions), twinned with changes prompted by Brexit, will make recruitment more difficult again as pandemic restrictions ease. Dimensions may expect to see agency usage increase and retention fall. This will place renewed pressure upon the Group to reduce the cost of overhead and make good decisions about the locations in which it attempts to create new services.

Reduced public spending – the sector that the organisation operates in continues to undergo significant and radical change and it is clear that public services in the UK will remain under intense financial pressure for many years. COVID has masked the longer term impact of Brexit at this time and the full effect of the virus is still unknown. Dimensions has responded to the financial pressures through continuing to seek efficiencies and improve productivity, which has enabled it to proportionately reduce its overhead and operational costs whilst protecting the support that it provides to people. The organisation also manages liquidity risk via a revolving credit facility.

Regulation – the expectations of Dimensions' customers and stakeholders regarding service quality are increasing and so its regulatory frameworks are continuing to evolve. In particular, the organisation's main regulators, Homes England/The Regulator of Social Housing, the Care Quality Commission (CQC), Charities Commission and Care Inspectorate Wales have higher expectations of leadership and governance.

Pensions – Dimensions has participated in several defined benefit pension schemes. As for many other organisations, the liabilities of these schemes are currently greater than the market value of the assets due to reduced investment returns and increasing life expectancy rates. There is a risk that contributions may need to be increased in the future; or, where Dimensions has agreed to make annual contributions towards the deficit, as in the case of the Social Housing Pensions Scheme (SHPS), these contributions may need to be further increased. It should also be noted that if Dimensions were to cease to participate in the SHPS scheme, then the Trustees of SHPS could levy an employer debt to cover the excess liabilities, calculated on a buy-out basis. Typically, the debt calculated on a buy-out basis is much greater than the cost of funding the deficit through continuing contributions. The SHPS scheme actuary has estimated the employer debt that would have been payable if Dimensions had withdrawn from SHPS, as at 30 September 2018, at £25.6m. There is no intention to withdraw from SHPS.

Future Development

The Group's strategic activities for the 2021/22 year are explained in detail in the Value for Money Plan, included here as part of the Value for Money Statement. The activities, aligned to the Strategic Pillars, are expressed in the context of their impact upon the Group's sustainability in order that next year's Statutory Accounts and Value for Money Statement may look back upon what is planned and assess impact.

Value for Money Statement

Value for Money: An Ethic and an Imperative

Dimensions' core business, as defined by its Group Board, is *'the provision of high-quality personalised support for adults with a learning disability and/or autism, focusing on those with more complex needs'*. Fundamentally, Dimensions' is a *people business* – it succeeds when it has the capacity and capability to deliver great support to people who need it.

Dimensions operates at scale in a fragmented, competitive sector where the primary method of purchasing is tendering, direct costs are high and resultant margins are small. In recent years a successful out-turn would be 2.5% surplus from a turnover that has been climbing towards (and now exceeds) c.£200m. Therefore, the achievement of value for money (VFM) is not just central to Dimensions' ethos, it is imperative: if Dimensions does not achieve efficiency in its operations and deliver value to its consumers and commissioners, it will fail.

Dimensions' Strategic Approach to VFM – *Better Lives for More People*

Dimensions' Group strategy for 2020-25 places VFM at its heart. *Better Lives for More People* is not just the name of the strategy, it is the redefined vision for the organisation: a simple statement that encapsulates Dimensions' drive to improve the lives of people it supports and to offer those improvements to others with a learning disability or autism.

The new strategy is supported by five 'Pillars' that, taken together, align with the essence of VFM. These Pillars are broad and, structurally, behave as one in supporting the Group's strategy. Within them are a series of strategic aims that, successfully delivered, will enhance the Group's delivery of VFM through the next five years. The Pillars have wide aims but may be expressed in the context of VFM as follows:

- **Quality - better lives; impact for our sector** - concerns itself with keeping people well to reduce pressure on statutory services, supporting them into employment to reduce cost to the State and improvement of services to increase satisfaction and perception of *value*.
- **Reputation - valued by stakeholders; a Group people want to work for and with** - is about being recognised as a great partner to work with, a provider that commissioners will promote because we deliver quality, social impact and, of course, VFM itself.
- **Scale – supporting more people; ability to invest and deliver economies** - describes the Group's commitment to develop and preserve scale that it has worked hard to achieve; scale that is important not for its own sake but because of the economies that it can offer to commissioners, reducing cost to the sector – for example in its work to develop new offers to reduce sector reliance upon institutional services – and in augmenting its offer to its current and future workforce.
- **Capacity - capacity and capability to deliver where and when it matters** - underlines the Group's intent to offer value to the sector through professionalising its workforce, building capacity to further support scale in leadership, management and delivery and, crucially, exploiting technology to improve quality, capacity and efficiency.
- **Sustainability - sustainable for stakeholders; resilient in our environment** - focuses the Group on enhancing productivity, ensuring that critical processes and the systems that support them are more efficient to enable more resource to be invested in 'impact', and reducing risk by diversifying its income streams.

The organisation's VFM aims (financial, social and environmental) are to ensure that every penny spent leads to tangible and ambitious benefits for the people it supports. Dimensions' commitment is to find the optimal balance between cost and quality in all areas of its work, doing the things it has to do (which we call 'hygiene') efficiently to ensure that the maximum resource can be spent upon the things that genuinely and evidentially change lives ('impact').

Governance of Value for Money

The Group Board has systems in place, with a lean committee structure, to ensure appropriate oversight of objectives that support VFM. The Board reviews and tests its model periodically. The Group's governance was subject to an external review by Campbell Tickell in 2019/20, aimed at ensuring effectiveness and efficiency, and this led to some changes to optimise the use of non-executive time, enabling the leadership to focus on delivery of outcomes for people.

This VFM report identifies how value for money was achieved in relation to each of the pillars in the first year of *Better Lives for More People*: Quality, Reputation, Scale, Capacity and Sustainability. The specific VFM performance of the Housing function is also considered herein, including a critical assessment of the performance of assets and resources, considering the interests of, and commitments to, stakeholders through external and internal benchmarking and monitoring performance over time.

VFM is also assessed in the context of the risk management framework, which flows from the corporate strategy, and the Value For Money Plan, approved in March 2021, which will be used going forward to forecast VFM activity.

Regulatory Compliance with the Value for Money Standard
In addition to being core to Dimensions' Values and Strategy, VFM is a regulatory requirement. The Regulator of Social Housing's *Value for Money Standard* requires Dimensions to:

"clearly articulate strategic objectives"

- These are set out in *Better Lives for More People* and the annual Delivery Plan sets out strategic projects with a clear reference to the strategy.

"have an approach agreed by their board to achieving value for money in meeting these objectives and demonstrate their delivery of value for money to stakeholders"

- The Board approved the strategy, signs-off the Delivery Plan for each year and agrees the Strategic Measures by which progress is assessed. The Board also approves this annual Statement and it is published in an easy-read format to maximise access to its content.

"through their strategic objectives, articulate their strategy for delivering homes that meet a range of needs"

- The Group's Housing Strategy and its sister document, the Asset Management Strategy, support the objectives of Better Lives for More People to invest in our housing offer and "help more people access high quality, affordable homes that meet their needs".

"ensure that optimal benefit is derived from resources and assets and optimise economy, efficiency and effectiveness in the delivery of their strategic objectives"

- The Group's Housing Strategy, agreed by the Board, makes a specific commitment to improving management cost per unit and the Asset Management Strategy commits to re-balance property spend in favour of planned maintenance over reactive repairs.

Further, the Value for Money Standard specifically requires Dimensions to demonstrate:

"a robust approach to achieving value for money – this must include a robust approach to decision making and a rigorous appraisal of potential options for improving performance"

- The Group Strategy, its Delivery Plan, its measures, this Value for Money Plan and the Annual Value for Money Statement are all scrutinised robustly by the Group Board. The Group Board owns decisions about all content that is included.

"regular and appropriate consideration by the board of potential value for money gains – this must include full consideration of costs and benefits of alternative commercial, organisational and delivery structures"

- All decisions pertaining to delivery structures, project investment and benefit realisation are owned and made by the Board based upon data and recommendations presented by the Group Executive and its committee structure.

"consideration of value for money across their whole business and where they invest in non-social housing activity, they should consider whether this generates returns commensurate to the risk involved and justification where this is not the case"

- The Group has taken great care to wholly disaggregate income and expenditure to ensure that housing-related income is appropriately ring-fenced for use on housing-related activity.

"appropriate targets in place for measuring performance in achieving value for money in delivering their strategic objectives, and regular monitoring/reporting of performance against these targets"

- In its Value for Money Plan, the Strategic Measure and target is illustrated to show how the objective described will contribute to the delivery of value for money.

Keeping Stakeholders Informed

The Dimensions' VFM Statement can be found on its website at www.dimensions-uk.org. It has been written for the people it supports and its tenants, their families and circles of support, its staff and its other stakeholders. The VFM Statement will be shared with our stakeholders through a range of methods, including an accessible / easy-read version and presentations to Dimensions' Council (the representative body made up of the people supported and tenants).

A Special Note on the Impact of COVID-19

As noted in last year's VFM statement, the pandemic has had wide-ranging impact upon the business world and society. Social care organisations, as part of an ecosystem that includes the NHS, HM Government, local authorities and a wider commercial network of suppliers, have been significantly affected, experiencing both 'operation disruption' (significant obstacles to delivery of core business) and 'demand disruption' (reduction in new referrals and contracts for the delivery of core business). The longer term impact of COVID has yet to fully emerge and it has dominated the Group's horizon scanning and scenario planning throughout 2020/22.

The pandemic coincided with the launch of *Better Lives for More People* and inevitably impacted upon Group capacity to commence some of its initiatives. This statement will necessarily make repeated reference to COVID: it is a critical backdrop.

At a macro-level, Dimensions actually received close to full funding for its COVID costs. There was significant spend upon Personal Protective Equipment (PPE) in the early stages of the pandemic, with some disproportionate expense as the country was generally unprepared for increased usage. However, PPE has been largely ordered via the NHS portal in the latter stages of the pandemic. Overall the Group has reported Covid-19 Income of £5,851k, of which £1,571k relates to PPE Costs, against Covid-19 Costs of £5,493k.

The Board's Assessment of Value For Money

The Board is satisfied with the progress made in 2020/21 in many areas of delivering VFM despite the unique disruption caused by COVID. Dimensions biggest direct cost is staffing and here there are real positives, most specifically in relation to colleague engagement, which has remained strong despite the pandemic, retention of staff, reduction in use of agency staff and, therefore, 'own staff' usage (see later). As a result, there have been real gains in productivity, with more sophisticated and accurate management information and scrutiny of performance.

There are positives too in business service costs as key projects to revise the Group's Target Operating Model (TOM) and systems (including Enterprise Resource Planning – ERP – as part of a revision of the finance model) have gained traction despite the pandemic.

However, there are things to improve, notably satisfaction with other landlords' homes that Dimensions uses, housing management cost per unit (heightened due to investment in health, safety and compliance) and the volume of income that is attributed to Dimensions Personalised Support Ltd. System enhancement, a core aim of *Better Lives for More People*, continues to be a challenge with several critical strands due to go live in the 2021/22 and 2022/23 years.

Some areas of business that underpin VFM have been adversely affected – most notably growth which, unsurprisingly, did not achieve its target in 2020/21. Whilst this did not impact either the Group's turnover or surplus in-year, we expect more commissioning activity in 2021/22 and 2022/23 as a result and this poses risk that the Group will need to manage.

The Board's assessment of the VFM performance in relation to each of the key strategic pillars (using strategic and BAU performance indicators), including the outcomes in respect of the VFM priorities noted in the 2020 statement, is set out in the pages that follow.

Quality: Better Lives, Impact for Our Sector
Quality of delivery is core to VFM and our key performance indicators for quality and safety of our services are the CQC/CIW rating (percentage of services with a "Good" rating) and the quality assessments made in our own internal compliance reviews. Experts by experience are fully involved in the internal compliance reviews. Together, the CQC/CIW and internal compliance reviews cover all our regulatory requirements for operational services.

The Group ended 20/21 with 87.5% CQC/CIW 'Good' ratings (March 2019: 94%) which is a diminishment but set in the very specific context of regulatory focus (which evolved through the pandemic). The minor decline is due to a handful of "Requires Improvement" ratings in one locality that are being addressed through focused activities. We do not perceive a material impact upon VFM as a result. Dimensions continues with two services rated as "Outstanding".

Unsurprisingly our internal quality scores followed a similar trend: the March 2020 internal compliance rating was 73% (services meeting or exceeding expectations) and this reduced to 67% in March 2021 – contrary to expectations but significantly influenced by our work in Somerset where the Group is making investment to transform services. The expectation remains that internal compliance scores will gradually increase over the coming year and the target is high at 95%. Each internal compliance review also concludes with a Service Improvement Plan developed with the manager and their team. There is a detailed organisational narrative to some of the qualitative challenges that Dimensions faces and we are working hard to address the issues. The Group's investment in its new RADAR system to support compliance will support reliability and efficiency as it is embedded.

A key driver in quality is sickness as, in delivery of front-line care and support, all shifts must be covered. The Group worked hard on reducing sickness in 2020/21, a special challenge through the COVID-19 pandemic, but saw excellent results, reducing last year's out-turn of 12 days to 10 days (excluding COVID-related sickness), far ahead of the target of 11.64 days and delivering a saving of approx. £800k.

A core VFM objective in 2020/21 was to mitigate the risk of complex service failure and, in so doing, limit not just the human impact of the disruption for people and their families but also the significant financial cost of failure – a key detractor from achieving VFM. The Group sought a 50% reduction in services over 105 hours per week that discontinue (from 12 to 6). Dimensions achieved a 33% reduction (8), a significant improvement that is founded upon a new Complex Needs Protocol which is being used Group-wide. The financial improvement is significant: in 2018/19, there were 15 instances of complex services breaking down with the resultant attrition of £2.4m in revenue. In 2020/21 this was £955k.

A key VFM objective for 2019/20 was that each service would achieve at least one outcome in all the five *Activate* person-centred domains, excluding people who get fewer than 30 hours' support per week. Activate is our person-centred support model which has been rolled out carefully over a number of years following a detailed pilot. As a result of the pandemic our colleagues have been working with people we support to review their goals and outcomes to ensure they remain relevant in the new world. We have also opened up access to Iplanit (the system in which we record information about the individuals we support) to family members and are seeing the benefit this brings in terms of transparency and improved engagement with families. Our ability to demonstrate outcomes supports delivery of VFM. The system is being rolled-out in Discovery in 2021/22.

Supporting people to gain employment has been a core aim for Dimensions for many years and paid work is one of the key *cornerstones of life* we refer to in *Better Lives for More People.* This activity has become immeasurably more difficult through the pandemic as the economy has receded and so many sectors have experienced operation disruption, however Dimensions continues to support 143 to do paid work. Using the HACT Social Value toolkit, we assess this success to have delivered in excess of £700k of social value over the last couple of years.

The health and wellbeing of people we support is critical to the delivery of VFM. Put simply, good health saves money and supporting people to live better has been a specific value focus for Dimensions in the last two years. A focus of the Group's work in supporting people to improve their health and well-being has been to ensure that people we support receive their annual health checks. Performance here has been high, with 94% of checks completed.

Our Death Review Panel continues to meet quarterly to review learning from any deaths of people we support. We have undertaken a specific piece of work looking at the underlying health issues of anyone who died from pneumonia and this will help us understand what more we can do to help people live longer, healthier lives, delivering social value in the process.

Following on from our work in 2018/19 in the area of STOMP (Stopping the Over-Medication of People with Learning Disabilities) a key VFM objective for 2020/21 was to achieve a reduction in the volume of medication errors on a quarter-by-quarter basis. Errors carry a human and financial cost. The Group's Medication Errors Plan featured initiatives to fix straightforward issues on the spot and enabled managers to plan sustainable improvements. By supporting Locality Managers to review all aspects of medication administration on site, introducing new training in medication administration and assessing of staff competence in administering medication, we have successfully reduced medication errors over a two-year period by 27%. This is a significant non-cashable VFM achievement, enabling the Group to do more with the same resources. We are undertaking some benchmarking in this area with a significant cohort of providers (led by consultancy partner Cordis Bright).

Reputation: Valued by stakeholders; a Group others want to work with.
Better Lives for More People articulates the sector problem that it is trying to solve and the competence that Dimensions will bring to tackle it. The issue is simply that need continues to increase but that good people are difficult to find and retain.

This entails that Dimensions needs to be perceived as a great employer. A core strategic measure under our 'Reputation' Pillar, therefore, is *% voluntary turnover* and this has real implications for VFM. We know that a well-trained, engaged workforce that is loyal to its employer yields both qualitative and financial outcomes for our organisation. The effectiveness of recruitment, colleague retention and the way our people are managed and developed has a direct impact on the social and economic value for money created.

Prior to the pandemic, recruitment and retention had been a real challenge in an era of record high employment. In last year's Statement we forecast that the economic damage done by Covid-19 could assist the Group: higher unemployment was likely to make recruitment easier and reduce agency usage, two elements that would increase our delivery of VFM. Reduction of voluntary staff turnover by 2% by focussing on the retention of those people leaving within 12 months of joining the organisation was the priority.

Dimensions has seen a very positive trend in *% voluntary turnover*, with a reduction from 15.22% in 2019/20 to 13% in 2020/21. This significantly outperforms our sector benchmarking (some of which runs as high a 30%). However, as retail and hospitality sectors regenerate following the pandemic, we know that this performance will be challenged.

A Great Place to Work
For the third year running, Dimensions UK listed in the *Great Places to Work* list of the UK's best workplaces as the highest placed social care organisation in the 'Super Large' category.

The colleague survey (used as the basis to measure engagement) was conducted across the whole of the Dimensions Group, and shows that employee engagement has increased from 72% in 2019, to 75% in 2020, to 79% in 2021. This is relevant as employee engagement is a key factor in driving quality, reducing staff turnover and, therefore, delivery of VFM. We continue to take action based on colleague feedback and ideas. We can also evidence that the Great Places to Work accreditation is important for candidate attraction at a time when the labour market is making recruitment ever more difficult.

Campaigns & Public Affairs

Since 2018/19 our #MyGPandMe campaign has trained GP staff on how they can better serve people with learning disabilities. Equality of access to good healthcare enables better use of resources, identifying issues earlier, reducing treatment cost and improving the prospects for positive outcomes. We sought to build on #MyGPandMe by developing a fee-based training offer (which may become accredited in time) for GP Practices, attended by people that Dimensions support. This has provided funding to enable the initiative to continue. We have worked with other forums, such as the LeDeR network, to promote training in primary care.

The pandemic led us to develop a new online learning offer for primary care that enables us to educate and influence health services without face to face training. The online version of #MyGPandMe training can be delivered with limited costs and is free to access for any health or social care professional (or indeed member of the public). We continue to work with key stakeholders to tackle health inequality, including NHSEI; CCGs and professional networks to build understanding of health inequalities and drive engagement with our training.

Furthering the VFM principle, Dimensions led some work for Assura, a national primary care property company that helps GPs, GP federations, primary care networks and NHS Trusts with challenges posed by their premises, looking at the design and layout of GP buildings to facilitate better access. *#MyGPandMe: Building Better Together* promotes the voices and experiences of disabled people, families, friends, and paid support workers. In setting out both quantitative and qualitative data gathered from over 600 disabled people, we highlighted good practice and areas for change so that everyone with a disability or those experiencing disabling conditions can access primary care services on an equal basis.

Our partnership with Assura now includes collaboration with academics at the University of Worcester to develop an accessibility assessment tool to be used in primary care environments. The tool will be piloted at Assura sites as soon as the pandemic restrictions permit visits to take place and we have agreed to prioritise Assura sites that people we support attend.

We have sought to influence government policy both in relation to the barriers to employing people with learning disabilities and in relation to wider recruitment in social care. So much resource is spent upon finding the right people to deliver quality services, it is a critical VFM issue for the Group. We have worked through the All Party Parliamentary Group (APPG) on Adult Social Care to engage policymakers on the advancement of parity of esteem between health and care to attract more people to the sector (the establishment of the new 'Care' brand has been pleasing to note); developing cross-party agreement on key recruitment issues. Our intention is that a refreshed perception of the value of social care, possibly supported by the Covid outbreak, will enable us to do more with our resources, spending less on recruitment.

We continue to work through the APPG to make the evidence based case for reform in social care and investment in the social care workforce, including our contribution to an upcoming APPG report on the economic value of social care. We work as part of other coalitions, such as the Future Social Care Coalition and Social Care Future, to underline the need to resolve sector issues and create a system of social care that is sustainable and fit for the future. Outside of these collaborations, we have engaged directly with the Department of Health and Social Care, offering opportunities for the department to engage directly with colleagues and people we support through service visits (which will take place in Summer 2021).

The ever-shifting policy landscape arising from COVID-19 has demanded that we understand and respond to changes in guidance and legislation. At the height of the first and second wave we worked to ensure that policy makers understand the needs of people who have a learning disability and autism and the impact of policy changes relating to PPE; testing; vaccination; and visiting in care settings. This has included our support for the National Police Chiefs Council to provide accessible information on public health restrictions; advising the Test and Trace Unit at DHSC on accessibility in national testing programmes and regular engagement with NHSEI on the impact of COVID-19 on existing health inequalities for people we support.

Scale: Supporting more people; ability to invest and deliver economies.

The achievement and sustenance of scale is critical to our viability and efficiency as an organisation, therefore growth and retention of business are key factors in delivering VFM.

At the highest level, Dimensions' target turnover was achieved - £209.2m - supporting the enablement of economies of scale that our Group strategy seeks to deliver, headroom and investment in the VFM projects for the coming year, not least the development and implementation of the Target Operating Model and the ERP.

However, contrary to recent years, this achievement may not be attributed to growth in 2020/21. Business development was significantly hit by the pandemic, having been on an upward trend over the preceding three years, and heavily compromised by a slow-down in both tendering and referrals across the sector. A positive impact of this was that Dimensions experienced no competitive attrition and successfully defended its business at risk.

As the year started, the Group forecast delivery of £15m in wins - lower than the 2019/20 out-turn of £17.5m but higher than previous years. The tempering of expectation was based upon reduced visibility of tender activity and a slowing of referrals. However, the difficult conditions in-year and paucity of opportunity commuted the win total to £9.284m (£1,793k through tenders, £3,106k growth for new services via a referral, £3,765k in income through filling voids, and the remaining £620k growth from two direct awards). Filling voids is critical to the achievement of value for money as it optimises the social value of housing assets in the sector.

A related VFM objective for 2019/20, carried through into 2020/21, was to develop an organisational response for people in crisis. Crisis can lead to service failure that creates huge cost and inefficiency for both Dimensions and the wider sector. Dimensions' formulated an operational crisis model for people we support that brought together intelligence and know-how from across the organisation to strengthen existing tools and guidance. The ultimate aim, in VFM terms, has been to ensure the very best use of the Group's resources in preventing expensive service failure and, if we are successful in delivering more services to people in crisis, both increase the Group's sustainability and add value to the sector.

The results in 2020/21 show excellent progress as we have reduced the number of complex packages of support that have failed (see *Quality*) and the number of people referred to us in crisis that we now support has increased significantly – from 9 in 2019/20 to 26 in 2020/21.

Similarly, despite understandable shifting priorities in the NHS during the pandemic, the Group succeeded in supporting six people with complex needs to leave assessment and treatment units (ATUs) in 2020/21 and five others to leave 'institutional environments' – namely residential schools, colleges and hospital settings.

Capacity: Capacity and capability to deliver where and when it matters.

Better Lives for More People commits Dimensions to *professionalising* our workforce, investing in qualifications, accredited programmes and training above the minimum in a way that is visible to health and other professionals. We want people to form career pathways at Dimensions and see work in social care as more than just a job. We provide full funding and support for qualifications (mostly via the common apprenticeship pathways) that are deemed by ourselves and *Skills for Care* to be essential to key roles in social care.

<u>Qualifications above the Minimum</u>
We define a qualification above the minimum as a qualification that is at a higher level, or above and beyond what is minimally required for a colleague's role. We know of around 900 colleagues (>10% of our workforce) who have completed a qualification above what is minimally required for their roles. Although many of these held a qualification prior to starting work for Dimensions we know of

approximately 130 colleagues who have completed a qualification above the minimum whilst working for Dimensions and 71 who are currently working towards various qualifications which are above the usual expected level.

In 2021/22 this project will now continue to create a central registry of all qualifications above the minimum that Dimensions supports colleagues to achieve and a matrix that sets out:

- the qualifications required for each role
- variations or optional qualifications available to each role
- aspirational qualifications that post-holders may be eligible to complete

Accompanying this, we will set out clear new guidance on qualifications aimed at equipping colleagues to develop within their existing role, achieve a promotion or make a sideways move.

We have invested in formalised succession planning and in the process of establishing targets for the percentage of posts which we will fill internally.

Dimensions' own staff contracted hours and bank relief staff availability improved from 98% to 107% of the hours we were contracted to deliver (before overtime and other backfill), which is above target and sets the Group on the way to achieving its longer term target of 110%. This has contributed to a significant reduction in the use of (comparatively expensive) agency staff across the Group (see 'Sustainability).

Essential training
Colleagues that do not have essential training are not available for work and can adversely influence productivity. Prior to the pandemic, we were consistently meeting our 90% target for colleagues to be up-to-date with all training necessary for their role. However, in common with other organisations in our sector through the pandemic, our restricted ability over the last year to safely provide in-person classroom-based training has affected this. We have consistently followed *Skills for Care* and government guidance in relation to training, and, at the time of writing this statement in June 2021, this stands at 88% for Dimensions and 84% for Discovery. In-person training is being undertaken with reduced class sizes.

Beyond this, Dimensions has also developed its own accredited training to replace Proact SCiP in the interests of effectiveness and efficiency and, as a direct response to COVID, developed and introduced Isolation Care and enhanced Infection Control training in-house.

Leadership and Management Development
Our Management Development Programme acknowledges that continuous development of our leadership delivers huge benefits in terms of fostering good colleague engagement, service improvement and, therefore, VFM. The unique operating circumstances faced in 2020/21 made it impossible to roll-out a comprehensive new leadership and management development offer as planned, however we were able to provide some bespoke management training:

- Discovery managers had access to a new management development programme tailored to their needs and the needs of Discovery (to be extended in 2021/22).
- We developed comprehensive learning and development support for managers going through CQC registration that will be reviewed and expanded upon in 2021/22.
- All new managers and managers who are new to a management role continue to complete the Skills for Care *Lead to Succeed* programme, which equips them with the knowledge, skills and confidence to perform effectively as managers. This has continued to be provided throughout the pandemic.
- Managers of virtual and remote teams have been provided with training to equip them with the knowledge and skills to lead effectively in these circumstances.
- We continue to add to our range of online, self-directed learning resources via our Management Hub, and plan further improvements to this in 2021/22.

Career and Talent Development

Our multiple award-winning career and talent development programme, *Aspire* continues with its track record of supporting reduced turnover and internal career growth, resulting in VFM. Against a social care sector average voluntary turnover of 30% and organisational voluntary turnover of 13%, the voluntary turnover of participants in *Aspire* is just 2.5%. Based on average recruitment and on-boarding costs, *Aspire* demonstrates a ROI of around 3:1.

On average, 88% of *Aspire* participants who were nominated to fill management roles have been promoted. 73% of *Aspire* participants overall have reported a promotion or tangible enhancement to their current role. As an example of this even at leadership group level, both the current and previous Head of Business Development are alumni of the *Aspire* programme.

Sustainability: Sustainable for stakeholders; resilient in our environment.

As noted when we launched *Better Lives for More People*, the objective to continuously improve the quality of support we deliver and make that support available to more people requires investment. Sustainability is critical to securing VFM: Dimensions relentlessly seeks to optimise the use of its assets and grow the organisation in a sustainable, impactful way.

Further, Dimensions is only able to deliver its social objectives if it remains financially viable and efficient. The Board has determined that targeting a 2.5% operating surplus and minimum cash liquidity at 2 months of payroll (including payroll taxes) over the medium term is enough to manage the risk and volatility inherent in the Group's operating environment.

The operating surplus for the year was 4.6% (2019/20: 1.8%), significantly higher than the 2.8% budgeted. Considering the pandemic, this is very strong performance and testament to an effective organisational response. Principal factors affecting the Operating Surplus were:

- Agency staff use reduced from 12% (19/20) to 7.6% in 20/21 yielding a £2m saving;
- Staff productivity eclipsed the target of 80% at 83%, a strong correlation to our impressive 'own staff usage' levels (107%) and the low agency usage (7.6% above). This was also supported by some agreed under-delivery in some contracts because of the operating constraints of the pandemic;
- Our target for contract price uplifts through negotiations with all commissioners was met (2.9%). As anticipated, however, there was margin erosion on some contracts where uplifts did not fully cover increased costs for National Living Wage, sleep-in services and other pay increases. Future viability of these contracts is under review;
- A continued focus on contracts that do not meet Dimensions' minimum viability threshold (able to cover their direct costs, overhead and make a small contribution to surplus) and implementation of improvement plans to restore satisfactory trading positions;
- By the end of 2020/21, 65% of cost centres met the MVT threshold - an improvement that would have been even stronger performance were it not for the disruption of COVID.

A key activity in 2020/21 was to manage cash liquidity. Activities to improve cash-flow were effective, and the cash liquidity that includes the £10m revolving credit facility remained safely above the target of two months of payroll throughout the year.

Overheads

Group spend on overhead exceeded budget in 2020/21 by £2m (£11.6m against budget of £9.6m). However, £1.7m of this was in the form of a recognition payment to colleagues for their incredibly hard work through the pandemic and is a positive example of how the Group will use its resources, where available, to foster great colleague engagement.

The bulk of the rest of the increased spend was in IT to keep the investment in system improvement on track (see Investment in Systems below).

VAT Recovery
Dimensions undertakes annual negotiations with all commissioners to achieve satisfactory contract pricing and accommodate increased costs associated with the National Living Wage, sleep-in services, auto-enrolment and pensions. Work to novate contracts to *Dimensions Personalised Support Ltd* recovered £0.3m in VAT in 2019/20 and our intention had been to increase our activity in 2020/21 until the pandemic took a hold. As a result, Dimensions recovered £0.5m in 2020/21 and will return to the project when the pandemic eases.

Transforming the Group's Finance Function
A VFM objective for 2020/21 was to commence a corporate project to transform the Group's finance function and this has met its initial outcomes. A partnership with PwC has reviewed the existent finance operating model, produced a roadmap, assessed costs and examined the suitability of sector-leading systems.

Central to the transformation of the finance function is the selection and implementation of an Enterprise Resource Planning system (ERP). A business case for investment has been completed and a preferred supplier package selected, thus enabling the Board to take a decision on investment early in 2021/22. Work continues, supported by PwC, with workshops to develop the next level of detailed design of the Finance Operating Model (FOM) and further define integration requirements and data structures.

Investment in Systems
Dimensions has been working on the replacement of Dimensions' Time Management System (DTMS) and delivery of a new Enterprise Data Warehouse in order to support well-engineered processes and move to a single source of data ('one truth') that together improve efficiency and hence VFM.

Work on Dimensions Online and Enterprise Data Warehouse has continued throughout this year and made significant progress. Sufficient work has been undertaken on Dimensions Online to enable commencement of the pilot phase in Q2 21/22 and Go-Live in Q4 21/22.

Insufficient cyber-security is a significant threat to viability. In the Group's stress-testing, prosecution for a data breach is identified as the single biggest financial risk that the organisation faces. Since January 2020 until the end of June, 41 companies in the UK have been breached. In Q1 alone over 8 billion records have been exposed, making it one of the worst quarters in history, exceeding the total data records exposed for the whole of 2019.

Dimensions are investing time in developing an Enterprise Architecture and 5 year IT strategy. The Enterprise Architecture ensures that business and technology capability roles and responsibilities are clearly defined and implemented, and that there are high levels of trust between stakeholders across the organisation. That trust is further enhanced by a shared vision, which puts business drivers and outcomes at the heart of IT strategy and operations, and turns IT into a valued partner, rather than being perceived as a high cost, low value function that hinders the business.

Dimensions' Value for Money Plan 2021/22 (approved by the Board in March 2021)
The Board's assessment of the 2020/21 VFM performance is that reasonable progress has been made despite the unique challenges of operating through the pandemic and the operation and demand disruption that COVID created. Dimensions can build upon what has been achieved and has set itself a range of manageable strategic objectives, within its capacity, as part of its new five-year strategy, *'Better Lives for More People'*. The key VFM priorities for 2021/22 are:

Quality - Better lives; impact for our sector
In 2021/22, our Delivery Plan includes two major projects supporting 'Quality'. One is concerned with improving quality and compliance in Discovery with the intention that both internal and external quality ratings improve, the 'transformation agenda' within the subsidiary progresses and the continued confidence of our partner, Somerset County Council, is secured.

The Strategic Measure for this activity is *'% of CQC/CIW Inspection Results rated 'Good' or Better in 'Safe' Domain'* but there are many connected VFM outcomes, specifically the continuation of a critically important partnership with Somerset CC as Dimensions assures it that Discovery is delivering on its ambitious agenda. This retention of income and scale offers the associated VFM benefits described in 'Scale' below, including significant social value.

The second 'Quality' project is one of embedding quality and compliance across the Group through two key interventions: the registration of the Group's Locality Managers with the Care Quality Commission (to enhance quality and accountability) and the full embedding of the Group's new RADAR system for risk and compliance monitoring. Both have significant VFM implications: registration of Locality Managers is an enhancement of their responsibility and can develop career prospects for those colleagues. Getting this right is critical if key VFM indicators like '% Voluntary Turnover' and '% Agency Usage' are to remain positive.

The RADAR system is central to promotion of the Group's reputation, as well as enhancement of quality, and so carries the benefits described in 'Reputation' (below). Further, RADAR is a system designed to make the collation and management of critical compliance data more efficient and so successful embedding supports VFM outcomes akin to those in 'Sustainability'.

Reputation - Valued by stakeholders; a Group that others want to work with
In 2021/22, our Plan includes a key project designed to protect and promote Dimensions' reputation in the context of the risk it manages in supporting people with complex needs to lead great lives. A positive reputation is critical not just to Dimensions' prospects in winning and retaining the opportunity to support people (see 'Scale' below) but also in attracting and retaining the calibre of colleague the Group needs to deliver the quality to which it aspires.

The principal Strategic Measure here is *'% Stakeholders who Would Recommend Dimensions'* but others such as *'% Voluntary Turnover'* will also indicate success.

Scale - Supporting more people; ability to invest and deliver economies
In 2021/22, our Delivery Plan necessarily focusses upon ensuring the continuity of our valued support as c.£27m of revenue is open to tender through the course of the year. Beyond this, we anticipate that local authorities will need to find cost savings as they react to the financial impact of COVID-19 which could, in turn, persuade more councils to challenge their suppliers and seek efficiencies through their providers.

The principal Strategic Measure of Dimensions' success in this regard will be *'Total Annual Revenue'* but we know that a diminution in our income has adverse effects in other value for money indicators – mainly *'Overhead as a % of Total Cost Base'*, *'No. Group Overhead FTE per £1m Revenue'* and other associated effects such as *'Days lost to Sickness'* (taking into account the disruption of services being transferred between providers). Defending Dimensions' scale will be critical to delivering value for money in 2021/22.

Delivery of New Housing

Beyond the Group Delivery Plan, there are two development schemes that Dimensions aims to progress delivery of this year in the interests of meeting its strategic objective of *'Investing in our housing offer, helping more people access high quality, affordable homes that meet their needs'*. These are the schemes at Highgreave in Sheffield, where a successful bid for NHS grant enables Dimensions to provide five specialised units for a £500k capital investment and Bricket Wood in Hertfordshire, where recently acquired planning permission may enable Dimensions to commence delivery of eight specialised units for a total investment of around £1.5m (including use of RCGF).

Further, with reference to the RSH Regulatory Standard, 2021/22 sees the implementation of both the Housing Strategy and its sister document the Asset Management Strategy. Both documents make specific reference to using the stock condition survey to support strategic asset management and using the Pyramid system to support a reduction in management cost per unit. The approved RSH metrics are assessed in the VFM Statement in May.

Capacity - Capacity and capability to deliver where and when it matters

In 2021/22, our Delivery Plan includes one overarching project to protect colleague well-being. This is in recognition of the disruption caused by COVID-19 and the working conditions that it has necessarily imposed. Interestingly, the Group has seen some positive VFM outputs through the pandemic as colleague sickness has fallen (outside of COVID itself) and agency usage had reduced, alongside the reduction in travel costs, office livery, use of vehicles, etc.

However, we know that our workforce has worked tirelessly through an incredibly stressful period and that we will need to work intelligently to protect our much-valued colleagues. The most telling Strategic Measures will be 'Days Lost Through Sickness', '% Spend on Agency' and '% Voluntary Turnover' but the consequences of a depleted, weakened workforce would be felt across the Group in quality, business retention and other critical indicators.

More difficult to measure but a strategic priority for the Group is the maintenance and enhancement of 'leadership capacity' and this activity will seek to maintain our capability through a challenging year to come.

Sustainability - Sustainable for stakeholders; resilient in our environment

In 2021/22, our Delivery Plan includes four very significant projects, all of which entail re-engineering of the way in which Dimensions operates.

The first is a project to assess the Group's current operating model, design a target operating model (TOM) and then formulate a project to migrate from one to the other. The realisable benefits of a new TOM for Dimensions are not all fully articulated at the time of writing but the intent is clear: to ensure that critical processes that support safe, compliant operation are lean, well-engineered, supported by adequate systems and competent staff to ensure efficient, effective, economical delivery. Success will deliver on two of the core aims within this Pillar (improving productivity and making systems and processes more efficient) and will yield improvement in two key Strategic Measures – 'No. Group Overhead FTE per £1m revenue' & 'Overhead as % of Total Cost Base'. The project will encompass more than one fiscal year.

The second project is to complete the development and roll-out of Dimensions On-Line, the replacement operational system for DTMS. Success will enable colleagues to use Dimensions On-Line as a reliable, efficient tool in completing their day-to-day tasks and will increase productivity. Progress will also be measurable in 'Overhead as a % of Total Cost Base'.

Thirdly in the Delivery Plan is the project to deliver Enterprise Resource Planning (ERP). Essentially the second stage of the Group's Finance Transformation Project, the ERP is expected to yield financial benefits in part from a reduction in overhead. Ultimately, as with Dimensions On-Line the Strategic Measure will be a reduction in 'Overhead as a % of Total Cost Base'.

Lastly, a fourth project will see the institution of a Programme Management Office in Dimensions. This project is concerned with ensuring that projects are more strongly aligned to the Group's preferred way of delivering them, ensuring that Dimensions can make change 'stick'. The Group seeks more rigour in assessing business requirements, articulation of the case for change, analysis of deliverables and – perhaps most importantly from a VFM perspective – the ability to capture cashable and non-cashable benefits as a result of successful implementation. The primary measures of success in delivery of this project will be 'No. Group Overhead FTE per £1m revenue' and 'Overhead as % of Total Cost Base', but the wider evidence of implementation will be visible across the key documents that make up the Group's governance dashboard: enhanced controls in the Risk Register, better performance in the Management Accounts and enhanced measurability of projects in the Delivery Plan.

Beyond the Delivery Plan, the year 21/22 will see the beginning of the implementation of the Group's *Strategy for Engagement with the NHS*, an approach primarily designed to deliver enhanced value to the NHS but that will also diversify the Group's income streams and reduce risk. Success in this regard will see the Group's income from the NHS increase from 9% of turnover to 10.25% over the life of the strategy (approx. £18m increasing to £28m in-year).

Housing Assessment of Value for Money

In a year dominated by the response to the pandemic, when repairs and maintenance has been limited to emergency repairs only and organisational resource was necessarily diverted to dealing with wider operational disruption, the housing focus has been on a handful of areas where meaningful progress could be made despite the adverse circumstances.

Assurance of full compliance with both statutory and regulatory requirements has been a specific focus for Dimensions in 2020/21, with assistance from trusted consultants Altair. An assessment of the Group's compliance with the *Value For Money Standard* was included within the review. Some key activities have been undertaken within and without the remit of the Altair review, aimed at delivering greater assurance of VFM:

Stock Condition Survey
Although many RPs survey property archetypes to gain aggregate understanding of their stock, this is not appropriate for Dimensions as its homes are varied and individualised, necessitating a full survey. Dimensions had planned to refresh its stock condition survey in tranches but, as essential work that encompasses statutory compliance, the Group took the view that the whole project should be undertaken in 2020/21. The survey was completed by a single supplier over two quarters for a competitive fee (c.£400 per survey) and has given Dimensions quality data (beyond the requirements of Decent Homes) and a photographic record of all its owned/leased properties. In VFM terms, the stock data offers the following tangible benefits:

- Appraisal of the condition of stock components to support an asset management strategy over the next five years;
- Survey data in fields that can be uploaded directly to the Pyramid system;
- Indicative sums for remedy of components to support investment planning.

Enhanced Use of the Pyramid System
Greater systemisation of critical housing processes, embedding the Pyramid system, has been a project for the last two years. In 2020/21, Pyramid became the host of property compliance data across the stock, including links to certification and the ability to bring forward future inspection programmes to maintain compliance. This supports efficiency in stock management.

Further, all performance reporting is now generated by Pyramid, giving weekly management information that can drive performance and enable Executive and Board oversight.

Pyramid has also become the repository for all repairs, with external colleagues at Astraline (our call centre) trained to log repairs on the system, eradicating double-handling of data.

In-House Fire Risk Assessments
In last year's statement we forecast some exploratory partnership working with the in-house Health & Safety Team on internalising the FRA property inspections and the use of handheld technology within the housing system to complete the forms for direct upload. This has now come to fruition, with all fire risk assessments being undertaken by our qualified in-house Health & Safety Team, which will deliver a more efficient service going forward.

Delivering Homes that Meet a Range of Needs
Despite the pandemic, Dimensions has progressed its high-priority development projects. Planning permission has been obtained for a practice-led hub at Bricket Wood in Hertfordshire (through the appeals process) and looks set to employ over £1m of recycled housing grant.

Dimensions has also progressed plans for a transition service at our Highgreave site in Sheffield, with both planning permission and NHS support. This will enable Dimensions to limit its capital investment and achieve VFM.

This work in investing in new homes has been complemented by the disposal of assets that are no longer needed to release grant for recycle and capital for further investment – in 2020/21 17 units in 4 properties, 7 of which were in a disused, outmoded care home in a remote rural location.

Demonstrating Delivery of VFM to Stakeholders
The organisation engages with its tenants throughout the year in several ways. One way is through the annual Tenants' Report, which is produced in easy-read format and people that we support are supported to engage with its content. This allows the organisation to share with tenants how it has performed in relation to the Standards set by Homes England and the Regulator of Social Housing. The Housing Team also works in person with tenants through Tenants Meetings – although these changed to a virtual format in 2020/21 due to COVID. Tenant focus has been upon easy-read guides to enhance compliance with the *Tenant Involvement & Empowerment Standard* and, of course, the impact of the pandemic itself.

Golden Thread to Governance
There are two tenant representatives on the Dimensions Council. The Council exists to give a voice to Dimensions' tenants and the people supported and helps to guide the organisation. The Council has a direct line to the Executive and Group Board and so it is through this mechanism that our tenants' views are heard, alongside scrutiny of the Tenants' Report and regular housing metrics. During the pandemic, tenants and people we support have been supported to go to virtual Listening Events, alongside families and Board Members.

Assessing and Improving Quality
Our five tenants who are trained 'Experts by Experience' were unable to have the impact we aspire to during the pandemic. Our Experts are trained quality checkers for our provision who offer a unique resident insight into the quality of our homes and services that will positively impact VFM. The Experts take a keen interest in quality – in particular void specifications, void quality, planned maintenance and major repairs/improvements to property.

Tenant Satisfaction
The Annual Tenants' Survey seeks to understand tenant perception of and aspirations for the landlord service - a critical engagement mechanism. For the first time the survey was taken digitally due to COVID: safer and more economical but yielding only half the usual number of responses. The sample was sufficient to give useful information but we are using more different methods in 2021/22, including virtual 1-2-1 surveys.

The survey produced improved results on satisfaction with the Housing Team and 'being listened to', which is encouraging. However satisfaction with repairs presented more challenging results: whilst an increased proportion declared themselves 'very happy' (26%), there was an increase in the proportion that declared themselves unhappy.

On the question of VFM there was no change in overall satisfaction but a higher proportion cited that they were 'very happy'. No-one was unhappy but more people (27%) were unsure.

The key results were:

- 82% were happy with the service they receive from the Housing Team (35% very happy) compared with 2018/19: 82% happy (23% very happy);
- 79% were happy that their views are listened to (21% very happy) - 2018/19: 68% happy, 21% very happy;
- 72% were happy with the repairs service (26% very happy) - 2018/19: 74% happy, 20% very happy;
- On value for money, 70% were happy with their home and services compared to their rent (28% very happy) 2018/19: 74% happy (23%: very happy).

As last year, newer tenants are less satisfied overall and we note that they are more likely to be living in private rented accommodation rather than Dimensions-owned homes. We continue to work with private landlords to improve the service they provide, including carrying out the repairs ourselves and recharging those landlords to deliver better VFM where appropriate.

All negative verbatim responses are followed up individually by our Regional Housing Advisors, a feature of the annual survey which is popular with the people we support. A number of responses were around people being unhappy with where they are living. Our Housing Brokers work to find alternative accommodation for these tenants where appropriate.

Metrics

The technical note on value for money metrics issued by the Regulator of Social Housing in April 2018 requires Dimensions to report on seven metrics. These are set out below:

	Bud 21/22	2020/21	2019/20	2018/19 Restated	Peers
Metric 1 - Reinvestment %	8.68%	2.23%	6.68%	1.29%	7.6%
Metric 2 - New Supply Delivered %					
A - Social Housing	0.7%	0.4%	0.9%	0%	1.8%
B - Non-Social Housing	0.4%	4.1%	0%	0%	0.3%
Metric 3 - Gearing %	0%	0%	0%	0%	47.7%
Metric 4 - EBITDA MRI Interest Cover %	1333%	1860%	1078%	1166%	138%
Metric 5 - Headline Social Housing Cost Per Unit	40,387	38,163	32,241	30,932	9,900
Metric 6 - Operating Margin %					
A - Social Housing Lettings Only	2%	6%	8%	9%	27.8%
B - Overall	3%	3%	2%	2%	22.1%
Metric 7 - ROCE %	8%	12%	8%	7%	3.2%
Housing Related Only					
Metric 5 - Headline Social Housing Cost Per Unit	7,599	7,919	6,546	6,225	4,600

<u>Notes:</u>

- Metrics 3 & 4: Dimensions has no debt.
- Metric 5 includes social care contracts delivered in homes. The adjusted Metric 5 (excluding the care element) is included at the bottom of the table. For peer comparison, we have used the median figures except Metric 5 where we have used supported housing specialist category from Global Accounts for the 'unadjusted' figure and the <2500 figure for our 'adjusted' *housing only* comparison.

Social Housing Cost per Unit – In common with other supported living specialists, Dimensions expects a higher cost per unit as the costs include support provided in the homes that it owns. The Global Accounts VFM narrative indicates that social housing specialists on average provide care in 30% of homes owned. In Dimensions we provide support in 65% of homes owned and the average cost of a care package in these homes is £55k-£60k; so we expect a cost per unit that is higher than average. Dimensions' strategy of supporting people with more complex needs increases the level of adaptation that the Group implements, as well repairs resulting from property damage. Excluding the cost of care the budgeted cost per unit is £**7,599** (all providers <2500 units is £4,600).

We have worked to understand where our costs are high and have noted, through comparison with other providers, that properties that are home to people with a learning disability or autism generate a much higher volume of responsive repairs than for other client groups. Expenditure on properties was lower than planned in 2020/21 as COVID limited access to homes.

Our cost per unit excluding care increased, partly due to a reduced number of units, but was higher than budgeted due to a higher volume of activity and considerable costs resulting from Fire Risk Assessments and other statutory compliance assessments. The stock condition survey undertaken at the end of the year has informed the budget for 2021/22. In addition we anticipate continued investment in compliance works in 2021/22 which is finite and will improve the safety and comfort of our tenants. We do not anticipate significant reduction in cost per unit through 2021/22 as a result of this investment but do project reduction in the years that follow.

The Group has a continuing objective to novate or end management and lease arrangements that do not support delivery of value for money.

Gearing and EBITDA MRI – Dimensions has a £10m loan facility but does not draw-down. Supported housing specialists typically report an average gearing ratio of 46.7%.

Operating Margin – Both the 8% social housing and 2% organisation margin are reasonable compared to the supported housing specialists, considering the high level of support provided in Dimensions' homes and the number of leased properties in our stock.

Overall, lettable void levels have increased in 2020/21 from 56 (8%) void units as at 31.3.20 to 60 as at 31.3.21. This is a snapshot as the number varies through the year. There are several factors that affect our voids but main factor is that we have an ageing tenant profile and the availability of support contracts, or a reduction in support hours, impacts our ability to fill voids. Plainly, the pandemic was also a critical factor in 2020/21. However, void rent loss is, in many cases, covered by other providers or by nominations agreements. The Group has an active asset disposal programme targeting those that are no longer of use to Dimensions and uses its Housing Brokers to facilitate transfers of accommodation for people we support who need a change of environment. In 2020/21 we disposed of 17 void rooms in 4 properties.

Housing Income - The Group needs to be able to demonstrate viability at a total entity level but also show due diligence in its treatment of the respective streams. The housing business stream (all income related to property) totalled £10.7m in 2020/21, approximately 5% of the Group's turnover, and delivered a £610k (5.7%) net surplus against a budgeted £629k (6.4%). This is a higher proportionate surplus than for care and support (6% vs 2.5%) and makes up a larger proportion of the Group surplus (10%).

Housing shows varying returns across its tenure types. Where properties are owned and managed by the Group greater efficiency returns a surplus of 12.9% (favourable to sector benchmarking). This diminishes to 3% where property that is Group-owned is managed by others (although the repatriation of our stock means that only 36 units are in this category). By contrast, a 2% surplus is returned where Dimensions manages others' property and we are to examine our managing agent agreements in 2020/21 to make this stream stronger.

ROCE – The high ROCE reflects the nature of Dimensions' business, with lower levels of capital employed being the main driver.

The VFM priorities for the housing function in 2020/21 are as follows:

- Review the Repairs & Maintenance Model
  - By the end of Q4 we will have ceased use of an external call centre for any repairs other than out-of-hours emergencies, delivering enhanced efficiency and control;
- To reduce the number of empty units through lettings, disposal and use of guardians
  - By the end of Q4 we will have reduced the number of lettable empty units in Dimensions ownership (inc. leasehold) from 60 to 40;
- To implement the first year of the Board-approved Asset Management Strategy
  - By the end of Q4 we will have completed the first year of works identified in the stock condition survey;
- To install and implement an improved asset management model for Discovery
  - By the end of Q4, the agreed works in SCC's properties that Dimensions leases will have been undertaken to a high standard;
- To review the procurement of housing contractors
  - By the end of Q4 we will have achieved enhanced value for money as part of the re-procurement with no loss of performance or customer service.

<u>Governance</u>
The Group Board has systems in place, supported by a themed committee structure, to ensure that it achieves appropriate oversight of objectives that support VFM. During 2020/21 the actions arising from an externally facilitated review of governance (carried out in 2019/20) were completed including the way governance is conducted and administered, enabling the leadership to focus clearly on delivery of outcomes for people we support.

<u>Corporate Governance</u>
Code of governance
The Board fully supports the National Housing Federation Excellence in Governance Code for members published in 2015 and maintains an appropriate system of corporate and financial controls consistent with the requirements of the Code. In January 2021 the Board agreed to adopt the 2020 National Housing Federation Code of Governance and has developed an implementation plan to address any gaps in preparation for declaring full compliance at the end of the 2021/22 year.

Statement of Compliance
The Organisation undertakes an assessment of its compliance with the Regulator of Social Housing's Governance and Financial Viability Standard annually and certifies that it has complied with the standard.

Modern Slavery and Human Trafficking Statement
Dimensions is committed to preventing modern slavery in its corporate activities and supply chains. The Group's full statement can be found on the Dimensions website at www.dimensions-uk.org.

Internal Controls Assurance Framework
The Group Board has ultimate responsibility for ensuring that the Group has in place a system of internal controls assurance that is appropriate to the business and operating environment. The framework adopted by the Group comprises:

- oversight through the Board and Committee structure and safeguarding panels;
- internal controls and procedures embedded in Group policies;
- independent assurance through internal and external audit and the regulatory regime;
- performance monitoring of the control environment both financial and operational; and
- continuous risk assessment and active management of business risks including the maintenance of a strategic risk map, which identifies the controls and assurances in place, and highlights any gaps requiring further action.

Policy for admitting new shareholders
Shareholding is closed and the admission of new shareholders is restricted to persons applying to become members of the Board or one of the Board Committees.

Board members' interest in shares
Each elected member of the Board who held office at 31 March 2021 had an interest of one ordinary £1 share in the shares of Dimensions (UK) Limited at the beginning (or date of appointment if later) and end of the financial year. The shares are non-equity and provide no financial return under any circumstances. The Chief Executive holds no interest in the Group's share capital.

Composition of the Board and key roles
The Chair and other Board members also chair and attend meetings of the Board Committees and the operating subsidiaries. Board members are remunerated for their contribution to the Dimensions (UK) Limited Board and if they hold another key role, such as Senior Independent Director, Chair of Group Audit & Risk Committee, Chair of Finance & Resources Committee, Chair of Human Resources Committee, Chair of Remuneration & Nominations Committee and Chair of the Subsidiary Board, Discovery. The role of Chair of Dimensions (UK) Limited is separate to that of Chief Executive. The Chief Executive is an Executive member of the Board.

People supported are not represented on the Board, however there are two Expert by Experience co-opted members – one, a person with lived experience of a disability, the other with experience of being a family member of someone with a learning disability (who is not supported by Dimensions).

There also continues to be a strong connection between the Board and people supported through the Dimensions Council, which is comprised of the people supported (including tenant representatives) which has been formed to advise and give direct feedback to the Board. The Council is helped to have a voice, by facilitation, within the organisation, with our Board, the Executive Team and the Leadership Group. In addition the Council is supported in identifying and grasping opportunities to have their voice heard outside Dimensions with opinion formers and other key players in our sector.

The skills, qualities and experience required by the Board from its members and committee members
The Board audits the skills, qualities and experience that it requires. Each year Board Members self-assess their own skills and experience against a set of key areas and have a peer to peer conversation to sense-check their assessments – these skills areas are reviewed in line with the organisational Strategy, with changes made to add or remove skills accordingly. The assessment of skills is overseen by the Remuneration & Nominations Committee and informs the Recruitment & Succession Policy and plans.

The following areas have been identified as being of particular importance and the Board seeks to ensure that these are appropriately covered:

- **General business**, including strategic planning, risk identification and management, organisational development/change management, IT strategy and systems, reputation management, HR management
- **Finance & Audit** – financial strategy & planning, accounting and financial performance management, Audit
- **Legal & Regulatory** – governance, social care legal and regulatory requirements, social housing legal and regulatory requirements, employment law, equality & diversity, health & safety, data protection, company law/charity law
- **Care & support** – provision and receipt of services for those with learning disabilities and autism, service commissioning and procurement, mental health services, NHS commissioning
- **Social Housing management**
- **Campaigning**
- Tenant and service user **involvement and engagement**, knowledge of the needs and aspirations of people supported and of families

Recruitment of New Board Members

New Board members are recruited on an ad hoc basis when a need for new Board members is identified because of the end of a term or resignation and members are recruited in line with a Non-Executive Recruitment & Succession Policy, paying attention to the skills and experience needed.

The recruitment process includes informal meetings with members of the Group Executive Team, visits to services, which this year have been virtual, and panel interviews, including Experts by Experience. The Board seeks to attract a diverse range of membership in terms of interest, culture and background, most appropriately reflecting the richness and diversity of the communities served by the Charity.

The Group have been looking closely this year at equality and diversity within the governance structures and have identified a number of activities to strengthen this aspect of the arrangements.

A detailed induction is provided for new Board Members.

Training for Board members

Board members are able to attend appropriate training at the expense of the organisation to help them fulfil their Board role most effectively. This year training sessions have been held on Inclusive Leadership, Audit & Risk and Corporate Health & Safety.

Shared responsibility

Members of the Board recognise their shared responsibility for the decisions of the Board and for ensuring that the financial affairs of Dimensions (UK) Limited are properly conducted. A Register of Members' and Senior Officers' Interests is in place.

Dimensions (UK) Limited
Governance Report

Meetings of the Board

The Board met seven times during the year. Member attendance at Board and Committee meetings was as follows:

	Board	Group Audit & Risk Committee	Human Resources Committee	Finance & Resources Committee	Quality & Practice Committee	Remuneration Committee	Development Committee	Non-Executive Director (NED) Pay 2020/21
Number of meetings >	7	4	4	5	4	3	0	£'000
Nick Baldwin CBE (Chair)	7/7	-	4/4	5/5	-	3/3	-	18
Anne Barnard (Vice Chair)* ***	3/3	2/2	-	2/2	-	1/1	-	12
Calum Mercer*	6/7	4/4	-	5/5	-	0/2	0/0	12
Delyth Lloyd Evans*	7/7	-	-	-	-	-	0/0	12
Gordon Lyle**	7/7	2/2	4/4	-	-	3/3	-	18
Kevin Lewis	7/7	-	4/4	-	4/4	-	-	9
Sherry Malik*	7/7	-	-	-	4/4	-	-	12
Steve Scown	7/7	-	-	-	-	-	-	-
Shain Wells (co-optee)	7/7	-	-	-	4/4	-	-	5
Noah Franklin*	4/4	2/2	-	3/3	-	-	-	12
Angela McNab	5/5	-	-	-	-	-	-	9
David Isenegger	3/3	1/1	-	-	-	-	-	9
Anne Wafula-Strike (Co-optee)	2/2	-	-	-	-	-	-	5

*receives additional payment of £3k per year for each Committee or subsidiary they chair, effective August 2019 (this does not apply to the Chair of the DPS Board)
**receives addition payment of £3k per year for being Senior Independent Director
*** retired 23rd September 2020

Committees

Group Audit and Risk Committee – The Committee consists of at least three non-executive directors, two of whom constitute a quorum. The Committee is chaired by Calum Mercer, who will be coming to the end of his term in September 2021. An independent member was appointed to the Committee in October 2020. The Committee provides assurance to the Group Board on performance for all services provided by the Dimensions Group, ensuring that legal, regulatory and performance requirements are met. It takes a corporate overview of the assurance framework across the Group, overseeing the systems of internal control and risk management, financial reporting, compliance with regulatory requirements, fraud prevention and anti-bribery measures, and whistleblowing, ensuring that these are effective and well managed and that the external and internal audit functions are operating robustly. This includes responsibility for the oversight of performance of the compliance areas of health and safety, insurance and procurement.

Human Resources Committee – The Committee consists of at least three non-executive directors, one of whom is the Chair of Dimensions. Two non-executive directors constitute a quorum. The Committee is chaired by Gordon Lyle who became the Senior Independent Director in September 2020. Its purpose is to take a corporate overview of Dimensions' Human Resources strategy, ensuring effective contribution to organisational performance across the Group.

Finance and Resources Committee – The Committee consists of at least three non-executive directors, two of whom constitute a quorum. The Committee was chaired by Anne Barnard until September 2020, who stepped down at the end of her term and was replaced by Noah Franklin. The Committee's purpose is to gain assurance on the ability of the Dimensions Group to achieve its strategy primarily in relation to the Sustainability pillar through review and assessment of the financial performance and use of resources of Dimensions and its subsidiaries. This will include consideration of performance in housing management and development and the effectiveness of the Group's IT and other business systems against the relevant strategy.

Development Committee – The Committee meets only when required as a task and finish group to review performance against agreed plans and give first consideration to any significant business propositions/decisions. It also has oversight of any potential partnership working activities. It consists of at least three non-executive directors, two of whom constitute a quorum.

Quality and Practice Committee – The Committee consists of at least four members including two non-executive directors. Two committee members including one Group Board Member constitute a quorum. The Chair of the Dimensions Council also attends. The Committee is chaired by Sherry Malik. The purpose of the Committee is to provide scrutiny and challenge with regards to all aspects of quality, and safety, including strategy, practice delivery, and audit across the Group, to ensure that people are supported to have great, safe lives in their communities.

Remuneration & Nominations Committee – The Committee currently consists of the Chairs of each of the Dimensions (UK) Board, the Human Resources Committee and one other Group Board Member. Two members constitute a quorum. The Committee is chaired by Gordon Lyle during the year. The Committee's purpose is to recommend a framework for the remuneration and performance of the Group Executive Team and to recommend appropriate alterations to Group Executive Team salaries on an annual basis and to be responsible for non-executive appointments across the Group, including pay, recruitment, succession and a performance review process. The Committee have been closely reviewing the actions arising from a review of equality and diversity in the governance arrangements and will be monitoring their implementation.

The Group's governance structure also includes a **Safeguarding Panel** and **Offending Behaviour Review Panel**, both chaired by independent experts, to oversee and give assurance to the Boards on their respective areas.

Performance Monitoring

The financial and operational performance of the Group is monitored by:

- staff appraisal arrangements to maintain standards of performance,
- forecasts and budgets to allow the Board, subsidiary boards and management to monitor key business risks and financial objectives and progress towards financial plans set for the year and the medium term;
- management accounts to provide relevant, reliable and up-to-date financial and other information and significant variances to budget investigated;
- all significant new initiatives, major commitments, asset disposals and investment projects being subject to formal authorisation;
- a programme of service financial audits, which regularly review and test the financial controls operating at the service level. This is augmented by the regular Compliance Auditor service audits, through which key financial controls are reviewed and any concerns escalated for a more in-depth review;
- a set of quality standards (Dimensions' Standards) that set the expectations of its services and homes to be above those set by the regulators. A dedicated team of Quality Reviewers reviews all services and homes on a programme of visits to assess the degree of compliance with Dimensions' Standards;
- the appropriate Board(s) or Committees who review reports from management, the internal auditors, the external auditors and the Group Audit & Risk Committee to provide reasonable assurance that the control procedures are in place and are being followed. This includes a general review of the major risks facing the Group;
- the Board which reviews the Internal Controls Assurance framework on the effectiveness of the internal control system; and
- formal processes and procedures which have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Board also actively monitors and manages the organisation's achievement of Value for Money. Appropriate benchmarks are identified and targets for the achievement of Value for Money in relation to the organisation's objectives are set. Performance against these targets is monitored, as part of the organisation's balanced scorecard, throughout the year by the Board and the relevant committee.

Risk Management

The Group's Risk Panel (consisting of Executive Team members and the Head of Quality and Regulation) meet formally once a year to review the entire risk process and key strategic risks. Risk management is a standard agenda item on the monthly executive team meeting to evaluate newly identified risks and to review the existing highly ranked risks. The Board and functional Committees, as a central part of Dimensions' governance and oversight, review the control and assurance framework for each of their assigned areas (which are expressly set out in their Terms of Reference) and consider the overall resilience of the organisation.

The Group's system of internal control includes a business planning process that includes a high-level assessment of the Group's strengths and weaknesses, and opportunities and threats that it faces both internally and externally. The planning process delivers high-level business targets that form the basis for the financial and operational control environment. The plan also assesses the risks associated with the delivery of the Group's long-term business objectives and highlights the action to be taken in mitigating these.

The Board also conducts stress testing of the organisation. This involves testing what would happen to the organisation under a range of different scenarios and if multiple risks were to crystallise. Mitigating strategies in respect of the risk exposures are considered.

The Board has a current strategy and policy on fraud covering its prevention and detection. The Group Audit and Risk Committee monitors instances of fraud and produces an annual report that includes details of any reportable fraudulent activity in the period. Where the fraud affected the people supported, they have been fully reimbursed for their loss. The necessary action has been taken to deal with the control points identified.

The Board also considers the risks relating to bribery and adequate procedures and policies are in place to prevent this.

Legal and Administrative Details

Dimensions (UK) Limited is incorporated under the Co-operative & Community Benefit Societies Act 2014 and is a Private Registered Provider of Social Housing. Details of the Board, registration numbers, the professional advisors and the address of the registered office are set out on page 2. Dimensions (UK) Limited is governed by its Rules (reference: Model Rules 2015 published by the National Housing Federation).

Employees

Dimensions (UK) Limited endeavours to employ sufficient staff with appropriate skills and to ensure that effective employment policies are in place and that good practice is followed. All employees receive training in the health and safety aspects of their duties.

The Group has a Recognition Agreement in place with the trade union UNISON.

Review of the Business

A review of the business is provided in the Operating and Financial Review.

Directors

The Directors who served during the year are listed in the statutory information on page 2.

Going Concern

The Group is forecasting a surplus for next year from its main operational activities and has sufficient cash facilities available which provide adequate resources to the Group's day-to-day operations.

On this basis and after making appropriate enquiries and reviewing the 21/22 budget and 2025 Strategic plan including changes arising from the COVID-19 pandemic, the Board confirms that it has a reasonable expectation that the Group has adequate resources to continue in its operational existence for the foreseeable future, being a period of 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 preparing the consolidated financial statements.

External Auditors

Dimensions (UK) is currently undergoing a tender exercise to appoint External Auditors for the 2021/22 financial year.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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 group and the association and of the income and expenditure of the group and the association 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, subject to any material departures disclosed and explained in the financial statements;
- assess the group's and the association'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 group or the association 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 association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019 . 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 association 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 association's website www.dinensions-uk.org. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board of Dimensions (UK) Limited on 13 August 2021 and signed on its behalf by:

J Greenbank

Jo Greenbank
Secretary
Dimensions (UK) Ltd
1430 Arlington Business Park
Theale
Reading
RG7 4SA

Opinion

We have audited the financial statements of Dimensions (UK) Limited ("the association") for the year ended 31 March 2021 which comprise the Statements of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Association of Changes in Equity, the Group and Parent Statements of Financial Position, the Consolidated Statement of Cash flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the state of affairs of the group and the association as at 31 March 2021 and the income and expenditure of the group and the association for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Housing and Regeneration Act 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group and the association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the association or to cease their operations, and as they have concluded that the group's and the association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board's conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group's and the association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group's and the association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Board, the audit committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Board, audit committee, financial and resources committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Obtaining a copy of the Group's fraud register.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet loan covenants and regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income is recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included journals with unusual posting to revenue, journals with unusual posting to cash, and unbalanced journal entries.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related *co-operative & community benefit society/charity* legislation), taxation legislation, pensions legislation and specific disclosures required by housing legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: anti-bribery, health and safety and employment law recognising the regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Other information

The Association's Board is responsible for the other information, which comprises the Chair's and Chief Executive Officer's Statement, the Operating and Financial Review, the Governance Report and the Director's report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

- the association has not kept proper books of account; or
- the association has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the association's books of account; or
- we have not received all the information and explanations we need for our audit.

We have nothing to report in these respects.

Board's responsibilities

As explained more fully in their statement set out on page 31, the association's Board is responsible for: the preparation of financial statements which give a true and fair view; 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; assessing the group and the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the group or the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the association those matters we are required to state to it in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association for our audit work, for this report, or for the opinions we have formed.

Jonathan Brown

Jonathan Brown
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP, 66 Queen Square, Bristol, BS1 4BE
Date: 2 September 2021

Dimensions (UK) Limited
Statements of Comprehensive Income
for the year ended 31 March 2021

	Notes	GROUP 2021 £'000	GROUP 2020 £'000	PARENT 2021 £'000	PARENT 2020 £'000
Turnover	**2,3**	**209,004**	201,810	**136,314**	147,696
Operating costs		(202,122)	(198,083)	(131,606)	(144,926)
Operating surplus	**3**	**6,882**	3,727	**4,708**	2,770
(Gain)/loss on disposal of fixed assets	7	(108)	426	(108)	342
Interest receivable and similar income	8	11	45	20	57
Interest payable and similar charges	9	(221)	(300)	(221)	(300)
Surplus for the year	**10**	**6,564**	3,898	**4,399**	2,869
Actuarial (loss)/gain in respect of pension schemes		(4,682)	1,700	(4,682)	1,700
Total comprehensive income/(expenditure) for the year		**1,882**	5,598	**(283)**	4,569

The consolidated results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Management on 13th August 2021 and were signed on its behalf by:

Nick Baldwin CBE
Chair

Gordon Lyle
Senior Independent Director

Jo Greenbank
Company Secretary

Dimensions (UK) Limited
Association Statement of Changes in Equity
As at 31 March 2021

	Notes	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 1 April 2019		20,820	805	21,625
Total comprehensive income for the year		5,598	-	5,598
Transfer of restricted expenditure to unrestricted reserve		30	(30)	-
Balance at 31 March 2020	20,21	26,448	775	27,223
Total comprehensive income for the year		1,882	-	1,882
Balance at 31 March 2021		**28,330**	**775**	**29,105**

The accompanying notes form part of these financial statements.

Dimensions (UK) Limited
Consolidated Statement of Changes in Equity
for the year ended 31 March 2021

	Notes	Income and expenditure reserve £'000	Restricted reserves £'000	Total £'000
Balance at 1 April 2019		14,446	778	15,224
Total comprehensive income for the year		4,569	-	4,569
Decrease support in subsidiary				
Transfer of restricted expenditure to unrestricted reserve		6	(6)	-
Balance at 31 March 2020	20,21	19,021	772	19,793
Total comprehensive expenditure for the year		283	-	283
Balance at 31 March 2021	20,21	**18,738**	**772**	**19,510**

The accompanying notes form part of these financial statements.

Dimensions (UK) Limited
Co-operative & Community Benefit Society Number 31192R
Balance Sheet at 31 March 2021

	Notes	GROUP 2021 £'000	GROUP 2020 £'000	PARENT 2021 £'000	PARENT 2020 £'000
Fixed Assets					
Housing properties – cost less depreciation	13	**25,098**	25,115	**25,098**	25,115
Other fixed assets	14	**5,389**	4,369	**2,373**	1,376
		30,487	29,484	**27,471**	26,491
Current assets					
Debtors	15	**29,139**	29,350	**28,208**	26,108
Cash at bank and in hand		**30,022**	19,223	**17,487**	7,257
		59,161	48,573	**45,695**	33,365
Creditors: amounts due within one year	16	**(31,089)**	(24,904)	**(24,649)**	(16,056)
Net current assets		**28,072**	23,669	**21,046**	17,309
Debtors: amounts falling due after more than one year	15	**-**	-	**386**	1,829
Total assets less current liabilities		**58,559**	53,153	**48,903**	45,629
Creditors: amounts falling due after more than one year	18	**(19,040)**	(19,289)	**(19,040)**	(19,289)
Pension liability	25	**(9,537)**	(5,549)	**(9,537)**	(5,549)
Provision for liabilities	33	**(877)**	(1,092)	**(816)**	(998)
Total net assets		**29,105**	27,223	**19,510**	19,793
Capital and reserves					
Non – equity share capital	19	-	-	-	-
Restricted reserves	20	**775**	775	**772**	772
Income and expenditure account	21	**28,330**	26,448	**18,738**	19,021
Total capital and reserves		**29,105**	27,223	**19,510**	19,793

The accompanying notes form part of these financial statements.

These financial statements were approved by the Board of Management on 13th August 2021 and were signed on its behalf by:

Nick Baldwin

Kreenbank

Nick Baldwin CBE	Gordon Lyle	Jo Greenbank
Chair	Senior Independent Director	Secretary

Dimensions (UK) Limited
Consolidated Statement of Cash Flows
for the year ended 31 March 2021

	Notes	2021 £'000	2020 £'000
Net cash (outflow)/inflow from operating activities		12,782	(3,821)
Investing activities			
Interest received	8	11	45
Payments to acquire other tangible fixed assets	14	(1,394)	(412)
Payments to acquire and/or construct housing properties and/or their components	13	(1,246)	(1,302)
Receipts from sale of housing properties		513	1,185
Receipts from sale of other tangible fixed assets		(15)	437
Government grants received		246	150
Net cash outflow from investing activities		(1,885)	103
Financing activities			
Interest paid		(98)	(98)
Net cash outflow from financing activities		(98)	(98)
Increase/(decrease) in cash and cash equivalents	27	10,799	(3,816)
Cash and cash equivalents at 1 April		19,223	23,039
Cash and cash equivalents at 31 March		30,022	19,223

The accompanying notes form part of these financial statements.

1 Legal Status

Dimensions (UK) Limited, the Parent, is registered under the Cooperative and Community Benefit Society Act 2014 and is a registered housing association.

Three of the subsidiaries of the Parent, Outreach 3 Way, Dimensions Cymru Limited and Dimensions Somerset SEV Limited (trading as "Discovery"), are charitable companies limited by guarantee. The fourth subsidiary, Dimensions Personalised Support Limited is a profit making company that gift aids its profits back to the Parent organisation.

Dimensions is a public benefit entity. The principal purpose and activities of Dimensions (UK) Limited and its subsidiaries is the provision of person-centred support packages, with housing, for people with learning disabilities and autism.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which were considered to be material in relation to the financial statements of the Group.

Basis of preparation

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019 ("the Direction").

These financial statements have been prepared on a historical cost basis and are presented in Sterling (£). All amounts in the financial statements have been rounded to the nearest £1,000.

The Parent company has adopted the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes
- Categories of financial instruments
- Items of income, expenses, gains or losses relating to financial instruments, and
- Exposure to and management of financial risks.

The principal accounting policies of the Group are set out below and have, unless otherwise stated, been applied consistently to all periods presented in these financial statements

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group has a 2025 strategy which was approved in Autumn 2019 by the Board. As well as considering the impact of a number of scenarios on the strategy, the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure. Following the outbreak of Covid-19 the Group has undertaken a series of further scenario testing including severe but plausible downsides in the worst-case assessment.

The board, after reviewing the group and association budgets for 2020/21 and the group's medium term financial position as detailed in the 2025 strategy including changes arising from the Covid-19 pandemic, is of the opinion that, taking account of severe but plausible downsides, the group has adequate resources to continue in business for at least 12 months from the date of approval of these accounts. In order to reach this conclusion, the Board have considered:

- Rent and service charge receivable – arrears and bad debts have been increased to allow for customer difficulties in making payments and budget and business plan scenarios to take account of potential future reductions in rents;
- Liquidity – current available cash and unutilised credit facilities of £29m which gives significant headroom for committed spend and other forecast cash flows that arise;
- The group's ability to withstand other adverse scenarios such as higher interest rates and number of void properties.

Consequently, the Directors are confident that the Group and Association 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 and therefore have prepared the financial statements on a going concern basis.

Group structure and basis of consolidation

The Group financial statements incorporate the financial statements of the Parent, Dimensions (UK) Limited, and its subsidiaries:

- Outreach 3 Way,
- Dimensions Somerset SEV Limited (trading as "Discovery")
- Dimensions Personalised Support Limited
- Dimensions Cymru Limited

All subsidiaries are charitable companies limited by guarantee with the exception of Dimensions Personalised Support which is a trading subsidiary.

All the Group members' results are presented as operations under common control.

2 Accounting policies (continued)

Turnover and revenue recognition

Group turnover represents care charges and grants receivable from the Department of Health & Social Care and local health authorities for services provided in the year by the Group for care and supported living, including Supporting People grants, charges to residents, and grants from local and national funders in respect of the year. Group turnover also includes rent and service charges and charges to managing agents.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Income from Supporting People and support services

Supporting People contract income and income from charges for support services are recognised as they fall due under the contractual arrangements with Administering Authorities and included in turnover. Charges for support services, if the services are provided within the tenancy agreement, are shown as 'Charges for support services'. Where support is provided under a contract separate from the tenancy agreement the related income is shown under 'Supporting People'.

Income received in advance for the provision of specified services is deferred until the criteria for income recognition are met.

Value Added Tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year-end is included as a current liability or asset.

Management costs

Management costs include costs in running the Group, excluding those relating to the direct provision of services to clients, contractors' costs for performing maintenance work, depreciation and financing costs.

Apportionment of direct employee, administration and operating expenditure

Direct employee, administration and operating costs have been apportioned to the relevant section of the Income and Expenditure Account on the basis of costs of the staff directly engaged on operations dealt with in these financial statements.

2 Accounting policies (continued)

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Significant management judgements

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

Impairment
Dimensions is required to conduct annual impairment reviews of its housing properties. Other assets are also reviewed for impairment if there is an indication that impairment may have occurred. In general, where no offers are in place and the calculated value in use is lower than book value, then an impairment adjustment is made.

The value-in-use calculation at 31 March 2021 used a discount rate of 5%, which was applied to cash flows extending over a 30-year period. This reflects the long useful lives of housing properties. Impairment provisions of £30k were released this year (2020: £76k charge).

Capitalisation of property development costs
Distinguishing the point at which a service is more likely than not to continue, allowing capitalisation of associated development costs requires judgement. After capitalisation management monitors the asset and considers whether changes indicate that impairment is required. The total amount capitalised in the year was £168k (2020: £519k).

Dilapidations
Where Dimensions holds leases on properties, there may be a residual dilapidation charge at the end of the lease for returning the property to its original condition. These are provided for in full at the start of the lease, and are reviewed annually, based on a property-by-property review. Provisions totalling £261k (2020: £310k) are held by the Group.

Debtors' provisions
Specific debtor provisions are based on management judgement having reviewed all debts. Typically, all debts over one year old (not subsequently paid) will be provided for. In addition, provisions are calculated on the following bases:

- Rent debtors – fifty per cent of arrears over eight weeks old and one hundred per cent for former tenants
- Other debtors – fifty per cent of debts (not otherwise provided for or subsequently paid) which are over six months old and one hundred per cent of debts which are over one years old

Total provisions at 31 March 2021 amounted to £1,122k (2020: £736k) for the Group.

2 **Accounting policies (continued)**

Significant management judgements (continued)

Group overhead allocation
Group central overhead costs are allocated to operating units based on the budget central expenditure and in proportion to budget direct costs.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment and changes to decent homes standards which may require more frequent replacement of key components. Accumulated depreciation at 31 March 2021 was £13,913k (2020: £13,407k).

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in note 25). The liability at 31 March 2021 was £9,537k (2020: £5,549k).

Debtors

Trade and other debtors are recognised at transaction price after any trade discount offered.

Creditors and provisions

Creditors and provisions are recognised where the organisation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Accounting policies (continued)

Employee Benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. Housing properties are principally properties available for rent and are stated within property, plant and equipment at cost less accumulated depreciation and accumulated impairment.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.

Government grants

Government grants include grants receivable from the Homes England, local authorities, and other government organisations. A grant which does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. A grant that imposes specified future performance-related conditions on the association is recognised only when these conditions are met. A grant received before the revenue recognition criteria are satisfied is recognised as a liability. Grants due from government organisations or received in advance are included as current assets or liabilities.

Social housing grant and recycled capital grant fund

Social Housing Grant (SHG) is receivable from the Homes England and is utilised to reduce the capital costs of housing properties, including land costs.

These grants are recognised using the accrual model, as set out in FRS 102 and the Housing SORP 2014. The grants are recognised in income over the expected useful life of the housing property structure, even if the fair value of the grant exceeds the carrying value of the structure in the financial statements.

In the case of grants received specifically for components of a housing property the grant is recognised in income over the expected useful life of the component.

Government grants are classified as deferred income, at cost less accumulated amortisation.

Where SHG becomes repayable following the sale of a property it is credited to the recycled capital grant fund included in the balance sheet creditors.

Other grants

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

2 **Accounting policies (continued)**

Depreciation of housing properties

Dimensions separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write-down the cost of each component to its estimated residual value, on a straight-line basis, over its estimated useful economic life.

The Group depreciates the major components of its housing properties at the following annual rates:

	Years
Building/Structure	80
Pitched Roof Coverings	80
Windows and doors	40
Electrical Installations	40
Bathrooms	20
Boilers	15
Kitchen and Utility Rooms	10

Land is not depreciated.

Sales of housing properties are recognised in the income and expenditure account at the point the sale becomes unconditional and are separately disclosed after the operating surplus for the year.

Other tangible fixed assets

Other tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on the cost of other tangible fixed assets has been provided evenly at the following annual rates and is charged over the expected economic useful lives to write them down to their estimated residual values as follows:

	Years
Housing properties awaiting development	60
Other property	50
Building improvements	5
Household fixture and fittings	4
Plant machinery, fixtures and motor vehicles	4-10
Office, computer equipment and software	4-7
Dilapidation commitments	Over the life of the lease

Freehold land is not depreciated.

Housing buildings are depreciated from the date of practical completion. With regard to other fixed assets, depreciation is charged from the month of purchase.

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

2 Accounting policies (continued)

Impairment

Housing properties, including those with individual components, are subject to impairment reviews annually. Cash-generating units and any other assets are reviewed for impairment if there is an indication that impairment may have occurred. Where impairment indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write-down is charged to operating surplus.

Operating Leases

Dimensions leases properties, vehicles and office equipment. These are classified as operating leases as the title and the substantial risks and rewards of ownership remain with the lessor and are not transferred to the Group.

Costs in respect of operating leases are charged to income and expenditure on a straight-line basis over the lease term.

Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Accounting for goodwill

Where in substance the business combination is a donation of net assets or net liabilities, the difference arising between the fair value of the net assets or net liabilities acquired at the date of acquisition and the consideration paid represents either purchased or negative goodwill. Purchased goodwill is treated as an expense and is included in the income and expenditure account within operating costs. Negative goodwill is treated as a donation and is included in the income and expenditure account within turnover.

Bank accounts of people we support

In certain cases the Group and its employees support people we care for to manage their money in a Dimensions bank account specifically named and managed for that individual. These bank accounts do not relate to the Group and are therefore not dealt with in these financial statements.

Managing agents

The Group owns properties in respect of supported housing schemes which are run by outside agencies. Where the agencies carry the financial risk, the income and expenditure account includes only that income and expenditure which relates solely to the Group.

Related party transactions

The Parent has taken advantage of the exemption in FRS102 from reporting related party transactions with its fellow Group undertakings.

2 Accounting policies (continued)

Restricted reserves

Donations to an Amenity Fund are retained in a restricted reserve for use by a specified service only, as are the donations for a sensory garden.

The value of freehold land and buildings received from donors and specifically covenanted for the provision of autism related services is retained in a restricted reserve.

The surplus on the disposal of a care home restricted to the provision of accommodation to people with learning disabilities is also retained in a restricted reserve.

Funds received where there are prescribed uses of those funds in relation to individual people we support or defined groups of people we support are accounted for separately together with the subsequent use of the funds.

Pension costs

The Group participates in the Social Housing Defined Contribution Scheme administered by the Pension Trust.

Contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

In the past, Dimensions participated in SHPS Defined Benefit Schemes. The Group is able to identify its share of the underlying assets and liabilities of these schemes and accordingly the pension costs relating to the schemes are accounted for in accordance with the full requirements of FRS 102. Current service costs, net finance returns and actuarial gains and losses are all included in the statement of comprehensive income.

The Group also participates in The Royal County of Berkshire Pension Fund. This pension scheme provides benefits based on final pensionable earnings. The Group is also able to identify its share of the underlying assets and liabilities of these schemes and the pension costs relating to the schemes are also accounted for in accordance with the full requirements of FRS 102.

In addition, the Group operates defined contribution pension schemes. The costs under these schemes are charged to the income and expenditure account as incurred.

Borrowing facilities

The Group holds a committed revolving credit facility of £10m which is to be used for general corporate and working capital purposes which expires in April 2025. As at 31 March 2021 the Group had available £10m (2020: £10m) of undrawn committed borrowing facilities with a floating charge over the Group's assets; all conditions precedent had been met.

Income and expenditure account

The Group has designated that £1,158k (2020: £1,158k) be used to fund social projects within Somerset. Designated funds are expected to be spent within 12-24 months of being earmarked.

3 **Particulars of turnover, operating costs, and operating surplus**

GROUP	2021 Turnover £'000	2021 Operating costs £'000	2021 Operating surplus £'000	2020 Turnover £'000	2020 Operating costs £'000	2020 Operating surplus £'000
Social housing lettings (note 4(a))	9,233	(8,391)	842	9,519	(8,204)	1,315
Other social housing activities:						
Charges for support services (note 4(b))	199,771	(193,731)	6,040	192,291	(189,879)	2,412
Total	209,004	(202,122)	6,882	201,810	(198,083)	3,727

PARENT	2021 Turnover £'000	2021 Operating costs £'000	2021 Operating surplus £'000	2020 Turnover £'000	2020 Operating costs £'000	2020 Operating surplus £'000
Social housing lettings (note 4(a))	9,233	(8,391)	842	9,519	(7,969)	1,550
Other social housing activities:						
Charges for support services (note 4(b))	127,081	(123,215)	3,866	138,177	(136,957)	1,220
Total	136,314	(131,606)	4,708	147,696	(144,926)	2,770

There were no non-social housing activities in the current or prior year.

4(a) **Particulars of income and expenditure from social housing lettings**

	GROUP		PARENT	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Income				
Rents receivable*	5,002	5,070	5,002	5,070
Service income	3,314	3,408	3,314	3,408
Government grants taken to income	366	403	366	403
Charges to Managing Agents	551	638	551	638
Total income from social housing lettings	9,233	9,519	9,233	9,519
Expenditure				
Care Management	1,616	1,432	1,616	1,669
Services	1,870	1,932	1,870	1,932
Routine maintenance	1,723	1,436	1,723	964
Planned maintenance	6	104	6	104
Major repairs expenditure	49	97	49	97
Payments to agents	2,373	2,551	2,373	2,551
Depreciation of housing properties	784	728	784	728
Release of impairment provision	(30)	(76)	(30)	(76)
Operating costs on social housing lettings	8,391	8,204	8,391	7,969
Operating surplus from lettings	842	1,315	842	1,550

*Rents receivable are stated after deducting £334k (2020: £528k) for void losses.

All income and expenditure relates to supported housing and housing for people with learning disabilities and autism. Under the new housing strategy all owned properties transferred into Dimensions housing management in 2020.

4(b) **Particulars of income and expenditure from other social housing activities**

	GROUP 2021 £'000	GROUP 2020 £'000	PARENT 2021 £'000	PARENT 2020 £'000
Grants	186,837	182,772	119,042	133,241
Charges for support services	3,818	3,148	1,330	1,191
Supporting People	1,406	1,433	987	1,431
Other	6,354	4,938	4,366	2,314
Furlough Scheme	1,356	-	1,356	-
Total income from social care	199,771	192,291	127,081	138,177
Expenditure on social care				
Management	186,288	183,762	119,121	133,400
Services	6,291	5,034	4,070	2,978
Maintenance	784	594	(343)	68
Depreciation	453	600	367	511
Impairment	(85)	(111)	-	-
Total expenditure on social care	193,731	189,879	123,215	136,957
Operating deficit on social care	6,040	2,412	3,866	1,220

Furlough Scheme
The furlough scheme is a government grant relating to a wage subsidy programme introduced in the United Kingdom in response to the COVID-19 coronavirus pandemic. The group was entitled to the wage subsidy because it had reduced operations in the UK as a result of the pandemic. The accounting policy adopted is set out in note 2 to the financial statements: the grant was recognised in the Income and Expenditure in 'other income' as the related wages and salaries for furloughed employees were recognised. There were no unfulfilled conditions relating to the grant claim at 31 March 2021.

5 **Directors' emoluments**

The directors are defined as the members of the Board, the Chief Executive and the Senior Management Team at any point during the year. Aggregate emoluments payable to directors (including pension contributions and benefits in kind were):

	GROUP 2021 £'000	GROUP 2020 £'000	PARENT 2021 £'000	PARENT 2020 £'000
Non-executive directors	86	104	86	104
Executive staff members	1,140	918	1,045	817
	1,226	1,022	1,131	921
Compensation for loss of office	-	112	-	112

No retirement benefits are accrued under defined benefit schemes.

The Chief Executive Officer was the highest paid employee during the year (Group Finance Director, who left the organisation in September 2019, was the highest paid in 2020)

The emoluments payable to the Chief Executive Officer (2020: Group Finance Director) (excluding pension contributions but including benefits in kind and compensation for loss of office) were:

	GROUP		PARENT	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Emoluments	178	176	178	176

The pension contributions paid by the organisation for the Chief Executive Officer were £13k (2020: £7k paid for the Group Finance Director)

6 Staff numbers and costs

The average headcount and the average number of full-time equivalent persons employed by the Group and Parent during the year (including senior executives), analysed by category, were as follows:

Headcount	GROUP		PARENT	
	2021 No.	2020 No.	2021 No.	2020 No.
Care staff	6,748	6,494	5,590	5,249
Administration	515	512	422	410
	7,263	7,006	6,012	5,659

Full Time Equivalent	GROUP		PARENT	
	2021 No.	2020 No.	2021 No.	2020 No.
Care staff	5,227	4,984	4,356	4,048
Administration	425	420	349	334
	5,652	5,404	4,705	4,382

Remuneration of staff (including pension contribution and benefits in kind) is in the following bands:

	GROUP		PARENT	
	2021 No.	2020 No.	2021 No.	2020 No.
£60,000 to £69,999	15	23	14	20
£70,000 to £79,999	5	6	3	3
£80,000 to £89,999	5	3	3	3
£90,000 to £99,999	-	3	-	3
£100,000 to £109,999	-	2	-	1
£110,000 to £119,999	2	1	2	1
£120,000 to £129,999	2	3	2	3
£130,000 to £139,999	-	-	-	-
£150,000 to £159,999	2	-	2	-
£160,000 to £169,999	-	-	-	-
£170,000 to £179,999	1	1	1	1
£180,000 to £189,999	-	1	-	1

Staff costs	**GROUP**		**PARENT**	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Wages and salaries	131,582	131,622	105,200	106,751
Social security costs	11,168	10,231	8,968	8,354
Pension costs	4,629	5,368	3,207	3,244
	147,379	147,221	117,375	118,349

7 **Surplus on disposal of fixed assets**	**GROUP**		**PARENT**	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Net proceeds from disposal of housing properties	4	393	4	393
Cost of sales	(91)	(2)	(91)	(2)
Incidental selling costs	1	-	1	-
Surplus /(deficit) on disposal of housing properties	(86)	391	(86)	391
Deficit on replacement of housing components	-	(49)	-	(49)
Surplus /(deficit) on disposal of other fixed assets	(22)	84	(22)	-
Surplus/(deficit) for the year	(108)	426	(108)	342

8 **Interest receivable and similar income**	**GROUP**		**PARENT**	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Bank interest	11	45	11	45
Intercompany Loan Interest	-	-	9	12
	11	45	20	57

9 **Interest payable and similar charges**	**GROUP**		**PARENT**	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Finance cost on pension scheme	123	202	123	202
Bank loans	98	98	98	98
	221	300	221	300

10 Surplus for the year

	GROUP		PARENT	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
The surplus for the year is stated after charging/(crediting):				
Depreciation and impairment:				
Housing properties	784	728	784	728
Impairment of housing properties	(30)	(76)	(30)	(76)
Other fixed assets	453	600	367	511
Impairment of other fixed assets	(85)	(111)	-	-
Auditor's remuneration:				
Audit	88	81	73	66
Operating leases rental	6,314	4,998	5,450	4,686

11 Taxation status

The Group and Parent have charitable status and their sources of income are exempt from income and corporation tax provided that they are applied for charitable purposes.

12 Investments in subsidiaries

As required by statute, the financial statements consolidate the results of Outreach 3 Way, Dimensions Cymru Limited, Dimensions Personalised Support Limited and Dimensions Somerset SEV Limited (trading as "Discovery"), which were subsidiaries of the organisation at the end of the year. The organisation wholly owns the four subsidiaries and has the right to appoint members to the boards and thereby exercises control over them. All subsidiaries of Dimensions (UK) Limited are non-regulated entities within the Group.

Dimensions (UK) Limited is the ultimate parent undertaking.

Each subsidiary except Dimensions Personalised Support Limited, bears its direct employee, administration and operating costs. Central overhead costs are apportioned to the parent and subsidiaries based on the total direct costs of providing social housing and other activities in each entity.

Costs apportioned to non-regulated entities were as follows:

	2021	**2020**
	£'000	**£'000**
Outreach 3 Way	801	701
Waymarks Limited	-	296
Dimensions Cymru Ltd	615	-
Dimensions Somerset SEV Limited (trading as "Discovery")	2,433	2,314

13 **Housing properties**
GROUP & PARENT

	Housing properties available for letting £'000
Cost	
At 1 April 2020	35,282
Additions	1,246
Disposals	(1,164)
At 31 March 2021	35,364
Depreciation and impairment	
At 1 April 2020	10,167
Depreciation charged during the year	784
Impairment	(30)
Disposals	(656)
At 31 March 2021	10,265
Net book value	
At 31 March 2021	25,098
Net book value	
At 31 March 2020	25,115

	2021 £'000	2020 £'000
Housing property costs comprise:		
Freeholds	28,643	28,911
Long leaseholds	5,047	4,679
Short leaseholds	1,674	1,692
	35,364	35,282

Expenditure on works to existing properties comprise the following:	£'000	£'000
Components capitalised	168	519
Amounts charged to the income and expenditure account	49	97
	217	616

Impairment

Impairment of £30,000 was released (2020: £76,000 released) in the year to increase the carrying value of certain housing properties to their value-in-use, being the estimated recoverable amount.

The value-in-use calculation used a discount rate of 5.0%, applied to cash flows extending over a 30-year period, which reflects the long useful lives of housing properties.

14 Tangible fixed assets

a) Other fixed assets GROUP

	Property £'000	Office & computer equipment £'000	Household fixtures & fittings £'000	Total £'000
Cost				
At 1 April 2020	4,150	3,192	267	7,609
Additions	9	1,301	84	1,394
Disposals	(3)	(3)	-	(6)
At 31 March 2020	4,156	4,490	351	8,997
Depreciation				
At 1 April 2020	909	2,183	148	3,240
Charged during the year	129	293	31	453
Impairment	(85)	-	-	(85)
Disposals	-	-	-	-
At 31 March 2021	953	2,476	179	3,608
Net book value				
At 31 March 2021	3,203	2,014	172	5,389
Net book value				
At 31 March 2020	3,241	1,009	119	4,369

b) Other fixed assets PARENT

	Property £'000	Office & computer equipment £'000	Household fixtures & fittings £'000	Total £'000
Cost				
At 1 April 2020	434	3,012	240	3,686
Additions	-	1,252	80	1,332
At 31 March 2021	434	4,264	320	5,018
Depreciation				
At 1 April 2020	82	2,104	124	2,310
Charge for year	6	300	29	335
At 31 March 2021	88	2,404	153	2,645
Net book value				
At 31 March 2021	346	1,860	167	2,373
Net book value				
At 31 March 2020	352	908	116	1,376

15 **Debtors**

	GROUP		PARENT	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Due within one year				
Rent and service charges receivable	371	463	353	440
Less: provision for bad and doubtful debts	(17)	(53)	(17)	(53)
	354	410	336	387
Trade debtors	22,486	21,024	13,549	15,341
Other debtors	42	130	40	93
Prepayments and accrued income	6,257	7,786	6,029	7,010
Amounts owed by subsidiaries	-	-	8,254	3,277
	29,139	29,350	28,208	26,108
Due after more than one year				
Amounts owed by subsidiaries	-	-	386	1,829
	29,139	29,350	28,594	27,937

16 **Creditors**: amounts falling due within one year

	GROUP		PARENT	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Trade creditors	2,980	2,863	2,650	2,257
Rent paid in advance	-	74	-	74
Social housing grant received	-	403	-	403
Other creditors	269	832	270	716
Taxation and social security costs	5,200	4,118	2,471	2,492
Accruals and deferred income	20,864	15,041	12,908	8,541
Recycled capital grant fund (note 17)	1,776	1,573	1,776	1,573
Amounts owed to group undertakings	-	-	4,574	-
	31,089	24,904	24,649	16,056

17 **Recycled capital grant fund**

	GROUP		PARENT	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
At 1 April	2,686	2,142	2,686	2,142
Grants recycled	310	792	310	792
Interest accrued	3	17	3	17
Withdrawals	(95)	(265)	(95)	(265)
Balance at 31 March	2,904	2,686	2,904	2,686
Amount due for repayment to Homes England	1,776	1,573	1,776	1,573

18 **Creditors**: amounts falling due after more than one year

	GROUP		PARENT	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
Social housing grant received	17,912	18,175	17,912	18,175
Recycled capital grant fund (note 17)	1,128	1,114	1,128	1,114
	19,040	19,289	19,040	19,289

Recycled capital grant funds are repayable in instalments due as follows:

	GROUP		PARENT	
	2021	**2020**	**2021**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
In one year or less (note 16)	1,776	1,573	1,776	1,573
Between one and two years	22	293	22	293
Between two and five years	1,106	820	1,106	820
	2,904	2,686	2,904	2,686

19 Non-equity share capital

Allotted, issued and fully paid	PARENT 2021 £	2020 £
Ordinary shares of £1 each at 1 April	8	9
New shares	1	-
Cancellations	-	(1)
Ordinary shares of £1 each at 31 March	9	8

The shares have limited rights and carry no entitlement to a dividend. They are not repayable and do not carry rights to participate in a winding up. They carry an entitlement to vote at the Organisation's General Meetings.

20 Restricted reserves

	At 1 April 2020 £'000	Transfer (to)/from income and expenditure account £'000	At 31 March 2021 £'000
Amenity Fund for respite care	5	-	5
Reserve related to Hollow Lane	410	-	410
Assets tied to autism related service	352	-	352
White Cliffs sensory garden	5	-	5
PARENT	772	-	772
Reserve related to O3W	3	-	3
GROUP	775	-	775

21 Income and expenditure account

	GROUP		PARENT	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Balance brought forward	26,448	20,820	19,021	14,446
Surplus for the year	6,564	3,898	4,399	2,869
Transfers from restricted reserves (note 20)	-	30	-	6
Actuarial gain on pension schemes	(4,682)	1,700	(4,682)	1,700
Balance carried forward	28,330	26,448	18,738	19,021
Income and expenditure account excluding pension liability	37,867	31,997	28,275	24,570
Pension liability	(9,537)	(5,549)	(9,537)	(5,549)
Income and expenditure account after including pensions liability	28,330	26,448	18,738	19,021

22 Financial commitments

There were no capital commitments as at 31 March 2021 (2020: £nil).

23 Operating lease commitments

At 31 March 2021 the Group had total commitments under operating leases as follows:

	Land & buildings		Other	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts due in:				
Less than one year	2,320	2,495	645	556
Between two and five years	5,516	5,779	567	546
Over five years	4,893	5,776	-	-
	12,729	14,050	1,212	1,102

24 Social Housing Units / Bed Spaces

	2021 Number	2020 Number
Under management at the end of the year:		
Agency managed	169	207
Directly managed	593	718
	762	925

25 Pension liability

The Group participates in a number of defined contribution and defined benefit pension schemes. Further details of the main participating schemes are given below.

The pension liability included on the balance sheet is analysed as follows:

	GROUP		PARENT	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Social Housing Pension Scheme - defined benefit liability	6,685	3,411	6,685	3,411
Royal County of Berkshire Pension Fund	2,852	2,138	2,852	2,138
	9,537	5,549	9,537	5,549

The People's Pension – auto enrolment scheme

The People's Pension is the qualifying workplace pension scheme used by Dimensions for auto-enrolment. The employer's contribution is currently 3% of qualifying earnings. Employees contributed 3%. The total charge to the Group for the year was £1,936k (2020: £1,727k).

As at 31 March 2021, 6,057 employees (2020: 5,604) were enrolled in the scheme.

The People's Pension – manager's scheme (replaced Standard Life scheme)

Group employees at the level of Locality Manager and above have access to a Standard Life money purchase scheme. Members of this scheme are required to make a minimum contribution of 3%. The employer's contribution is 7%. The total charge to the Group for the year was £617k (2020: £548k) (including payments to the superseded Standard Life scheme).

As at 31 March 2021, 310 employees (2020: 284 Standard Life scheme) were members of the People's Pension manager's scheme.

25 **Pension liability (continued)**

NHS Pension Scheme (NHSPS)

The NHSPS is an unfunded, defined benefit scheme and contributions to the scheme are determined by the Secretary of State on the advice of the Government Actuary. The most recent actuarial valuation for the scheme was for the period 2004-2012. This showed that at 31 March 2012 the scheme had a notional deficit of £10.3 billion.

The scheme is a multi-employer scheme and the disclosures relating to Dimensions (UK) Limited's share of the pension surplus or deficit, are not required by FRS102. It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the scheme, the income and expenditure account charge for the period in respect of this scheme is derived from the employer contribution payable. During the year ended 31 March 2021, the employer's rate of contribution was paid at the rate recommended by the Actuary of 14.38%. The employees' contributions range between 5% and 12.5%. The total charge to the Group for the year was £854k (2020: £931k). As at 31 March 2021, 366 employees (2020: 362) were members of the NHSPS.

In accordance with FRS102, a valuation of the Scheme liability is carried out annually by the scheme actuary as at the balance sheet date by updating the results of the full actuarial valuation. The latest assessment of the liabilities of the scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Business Services Authority website. Copies can also be obtained from The Stationery Office.

Further information on the value of the scheme assets and liabilities, as required by the SORP, is not available.

Social Housing Pension Scheme

Dimensions participates in the Social Housing Pension Scheme (SHPS). The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate, to 31 March 2007. From April 2007 the employer operated a career average re-valued earnings (CARE) scheme with a 1/80th accrual rate. From 1 April 2014, Dimensions stopped participating in the CARE scheme and active members were offered membership of the SHPS Defined Contribution (DC) scheme at an employer contribution rate of 8.5% and a minimum employee contribution rate of 3%. The multi-employer defined benefit schemes are closed to new members. At 31 March 2021, 25 employees (2020: 31) were members of SHPS.

The TPT valuation for the current year is a defined liability of £6,685,000 (2020: £3,411,000 liability) which resulted in an actuarial loss of £3,274,000.

Dimensions has provided for this by holding a provision calculated under the accounting rules set out in FRS102.

The deficit funding agreement remains in place. The additional costs that Dimensions has to fund for the past deficits identified are £758,000 (2020: £739,000).

The total charge to Dimensions for the year in respect of current service was £77,000 (2020: £77,000).

25 **Pension liability (continued)**

Royal County of Berkshire Pension Fund

Dimensions participates in a defined benefit statutory scheme, the Royal County of Berkshire Pension Fund, part of the Local Government Pension Scheme. The scheme provides benefits to employees based upon final pensionable earnings.

The most recent formal actuarial valuation of the scheme at 31 March 2021 showed that the actuarial value of the scheme's assets do not cover the accrued liabilities based on estimated fund pensionable salaries at retirement to the extent of £2,852,000 (2020: £2,138,000). Dimensions has provided for this by holding a provision calculated under the accounting rules set out in Financial Reporting Standard 102 (FRS102).

During the year ended 31 March 2021, the employer's rate of contribution was paid at the rate recommended by the Actuary of 22.7%. The employees' contributions' ranged between 2.25% and 12.5%. The contribution paid by Dimensions during the year was £25,000 (2020: £25,000). At 31 March 2021, 6 employees (2020: 6) were members of the Royal County of Berkshire Pension Fund.

The FRS102 disclosures are laid out in the statutory accounts.

Somerset County Council Pension Fund

Dimensions Group participates in a defined benefit statutory scheme, the Somerset County Council Pension Fund, part of the Local Government Pension Scheme. The scheme provides benefits to employees based upon final pensionable earnings. Somerset County Council are responsible for the scheme deficit and so the organisation is exempt from including the FRS102 disclosures in these statutory accounts.

During the year ended 31 March 2021, the employer's rate of contribution was paid at the rate recommended by the Actuary of 18.1%. The employees' contributions' ranged between 2.25% and 12.5%. The total charge to the Group for the year was £1,030,000 (2020: £1,614,000). As at 31 March 2021, 334 employees (2020: 525) were members of the Somerset County Council Pension Fund.

Barnsley Pension Fund

Dimensions participates in a defined benefit statutory scheme, the Barnsley Pension Fund, which is part of the Local Government Pension Scheme. The scheme provides benefits to employees based upon final pensionable earnings. Barnsley are responsible for the scheme deficit and so the organisation is exempt from including the FRS 102 disclosures in the statutory accounts.

During the year ended 31 March 2021, the employer's rate of contribution was paid at the rate recommended by the Actuary of 19.5%. The employees' contributions' ranged between 2.25% and 12.5%. The total charge to the Group for the year was £108,000 (2020: £100,000). At 31 March 2021, 22 employees (2020: 24) were members of the Barnsley Pension Fund.

25 **Pension liability (continued)**

The disclosures required by FRS102 are as follows:

Royal County of Berkshire Pension Fund

The major assumptions used by the actuary were (in nominal terms):

	2021 % pa	**2020** % pa	**2019** % pa
Increases in salaries	3.80	2.90	3.90
Increases in pensions and deferred pensions	2.80	1.90	2.40
Discount rate	2.00	2.35	2.40
Retail price inflation	3.20	2.70	3.40
Consumer price inflation	2.80	1.90	2.40

The assets in the scheme were:	**Actual asset allocation 2021**	**Actual asset allocation 2020**
Equities	60%	55%
Other bonds	16%	9%
Property	12%	14%
Cash	5%	12%
Target Return	4%	4%
Commodities	0%	2%
Infrastructure	3%	4%
	100%	100%

The discount rate is used as a single net interest cost to be the expected return on assets.

The amounts recognised in the financial statements under FRS102 are as follows:

Balance sheet disclosure

	2021 £'000	**2020 £'000**	**2019 £'000**
Present value of the defined benefit obligation	4,966	3,973	4,429
Fair value of fund assets (bid value)	(2,114)	(1,835)	(1,974)
Net liability in balance sheet	2,852	2,138	2,455

Analysis of the amount charged to operating surplus

	2021 £'000	**2020 £'000**
Current service cost	(48)	(71)
Total operating charge	(48)	(71)

25 **Pension liability (continued)**

Analysis of the amount charged to the statement of comprehensive income

	2021 £'000	2020 £'000
Net interest on the defined benefit liability	(49)	(59)
Administration expenses	(1)	(1)
Total loss	(50)	(60)

Analysis of amount recognised in other comprehensive income

	2021 £'000	2020 £'000	2019 £'000
Return on fund assets in excess of interest	191	(76)	117
Experience gain on defined benefit obligation	57	186	-
Other actuarial losses on assets	-	(107)	-
Change in financial assumptions	(1,011)	386	(209)
Change in demographic assumptions	41	13	247
Remeasurement of the defined liability	(722)	402	155

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	2021 £'000	2020 £'000
Opening defined benefit obligation	3,973	4,429
Service cost	49	59
Interest cost	93	106
Contributions by scheme participants	14	10
Past service costs, including curtailments	-	12
Net change in assumptions and experience	970	(399)
Experience gain on defined benefit obligation	(57)	(186)
Estimated benefits paid net of transfers in	(75)	(58)
Closing defined benefit obligation	4,966	3,973

25 **Pension liability (continued)**

Reconciliation of opening and closing balances of the fair value of fund assets	**2021 £'000**	**2020 £'000**
Opening fair value of scheme assets	1,835	1,974
Interest on assets	44	47
Return on assets less interest	191	(76)
Employer contributions	106	46
Contributions by scheme participants	14	10
Actuarial gains/(losses)	1	(107)
Administration expenses	(1)	(1)
Estimated benefits paid (net of transfers in)	(75)	(58)
Fair value of scheme assets at end of year	2,114	1,835

Reconciliation of opening and closing surplus	**2021 £'000**	**2020 £'000**
At beginning of the year	(2,138)	(2,455)
Service cost	(48)	(71)
Interest cost	(49)	(59)
Employer contributions	106	46
Actuarial gain / (loss)	(722)	402
Administration expense	(1)	(1)
Deficit in scheme at end of year	(2,852)	(2,138)

Amounts for the current and previous periods	**2021 £'000**	**2020 £'000**	**2019 £'000**	**2018 £'000**	**2017 £'000**
Defined benefit obligation	(4,966)	(3,973)	(4,429)	(4,392)	(4,449)
Scheme assets	2,114	1,835	1,974	1,859	1,859
Deficit	(2,852)	(2,138)	(2,455)	(2,533)	(2,590)
Experience adjustments on scheme liabilities	(970)	399	38	131	(462)
Percentage of liabilities	(19.5%)	10.0%	0.9%	3.0%	(10.4%)
Experience adjustments on scheme assets	1	(107)	-	-	22
Percentage of assets	1	(5.8%)	-	-	1.2%
Cumulative actuarial loss	(1,529)	(807)	(1,209)	(1,364)	(1,504)

25 **Pension liability (continued)**

SHPS

The major assumptions used by the actuary were (in nominal terms):

	2021 % pa	**2020** % pa
Increases in salaries	3.87	2.60
Discount rate	2.19	2.37
Retail price inflation	3.26	2.60
Consumer price inflation	2.87	1.60

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 Years
Male retiring in 2021	21.2
Female retiring in 2021	23.9
Male retiring in 2041	22.5
Female retiring in 2041	25.4

The assets in the scheme were:

	Actual asset allocation 2021	**Actual asset allocation 2020**
Absolute Return	1,446	1,223
Alternative Risk Premia	987	1,640
Corporate Bond Fund	1,548	1,337
Credit Relative Value	825	643
Distressed Opportunities	757	452
Emerging Markets Debt	1,058	710
Fund of Hedge Funds	3	14
Global Equity	4,176	3,430
Infrastructure	1,747	1,745
Insurance-Linked Securities	629	720
Liability Driven Investment	6,660	7,783
Long Lease Property	514	406
Net Current Assets	159	100
Private Debt	625	473
Opportunistic liquid credit	666	568
High Yield	785	-
Opportunistic Credit	718	-
Liquid credit	313	10
Property	544	517
Risk Sharing	954	792
Secured Income	1,090	890
	26,204	23,453

25 **Pension liability (continued)**

The amounts recognised in the financial statements under FRS102 are as follows:

Balance sheet disclosure

	2021 **£'000**	**2020** **£'000**
Present value of defined benefit obligation	32,889	26,864
Fair value of plan assets	(26,204)	(23,453)
Net liability in balance sheet	6,685	3,411

Analysis of the amount recognised in the Statement of Comprehensive Income (SoCI)

	2021 £'000	**2020** £'000
Expenses	26	26
Net interest expense	72	126
Defined benefit costs recognised in SoCI	98	152

Analysis of amount recognised in other comprehensive income	**2021** **£'000**	**2020** **£'000**
Return on plan assets in excess of interest – gain/(loss)	2,022	(129)
Experience gain on defined benefit obligation - gain	540	645
Change in financial assumptions – (loss)/gain	(6,408)	1,796
Change in demographic assumptions – (loss)	(114)	(1,014)
Remeasurement of the defined liability – (loss)/gain	(3,960)	1,298

25 **Pension liability (continued)**

Reconciliation of opening and closing balances of the present value of the defined benefit obligation	**2021**	**2020**
	£'000	**£'000**
Opening defined benefit obligation	26,864	27,927
Expenses	26	26
Interest expense	629	706
Net actuarial loss/(gain) due to changes in assumptions and scheme experience	5,982	(1,427)
Benefits paid and expenses	(612)	(368)
Closing defined benefit obligation	32,889	26,864

Reconciliation of opening and closing balances of the fair value of fund assets	**2021**	**2020**
	£'000	**£'000**
Opening fair value of plan assets	23,453	22,605
Interest income	557	580
Employer contributions	784	765
Experience on plan assets – gain/(loss)	2,022	(129)
Benefits paid and expenses	(612)	(368)
Fair value of scheme assets at end of year	26,204	23,453

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £2,579K.

Reconciliation of opening and closing surplus	**2021**	**2020**
	£'000	**£'000**
Deficit in plan at beginning of the year	3,411	5,322
Expenses	26	26
Net interest expense	72	126
Actuarial (gain)/loss	3,960	(1,298)
Employer contributions	(784)	(765)
Deficit in plan at end of year	6,685	3,411

26 Reconciliation of operating surplus to net cash inflow from operating activities

	GROUP 2021 £'000	2020 £'000
Group operating surplus after exceptional items	6,882	3,727
Depreciation of tangible fixed assets	1,237	1,328
Release of impairment provision	(115)	(187)
Difference between pension charge and cash contributions	(815)	(713)
Increase in debtors	(211)	(7,331)
Increase in creditors	6,385	166
Increase in provisions	(215)	(408)
Amortisation of government grant in the year	(366)	(403)
Net cash inflow from operating activities	12,782	(3,821)

27 Analysis of changes in net debt

Group	**At 31 March 2020 £'000**	**Cash flow £'000**	**At 31 March 2021 £'000**
Cash at bank and in hand	19,223	10,799	30,022
Total	19,223	10,799	30,022

28 Reconciliation of net cash flow to movement in net funds

	GROUP 2021 £'000	2020 £'000
Increase/(decrease) in cash in the year	10,799	(3,816)
Change in net funds	10,799	(3,816)
Net funds at 1 April	19,223	23,039
Net funds at 31 March	30,022	19,223

29 Incorporation

Dimensions (UK) Limited is registered with Homes England as a Registered Provider of Social Housing, is incorporated under the Co-operative & Community Benefit Societies and Credit Unions Acts 1965 to 2014 and is registered in England.

30 Related parties

Steve Scown, Chief Executive, was the Chair of the Voluntary Organisation Disability Group (VODG) until November 2020. Steve received no payment for his role at VODG. During the year, Dimensions has paid VODG £6,000 (2020: £6,000) in membership fees. There was no outstanding balance at the year-end between the two parties.

Nick Baldwin CBE, Chair of the Group Board, has a son who works at KPMG, the external auditors.

31 Off-balance sheet arrangements

Dimensions UK, as parent, has guaranteed the performance of its subsidiary, Dimensions Somerset SEV, to Somerset County Council, up to £6m.

The Dimensions Group became party to a £3.72m pension bond facility with HSBC plc on 1 April 2019, whereby the liability to HSBC is guaranteed by the Organisation.

32 Contingent liabilities

There are no contingent liabilities provided for in the accounts.

33 Provisions for liabilities

	GROUP		PARENT	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Aggregate provisions for liabilities	877	1,092	816	998
	877	1,092	816	998

Group	Dilapidations £'000	Income adjustments £'000	Total £'000
At 1 April 2020	310	782	1,092
Release of provision	(61)	(198)	(259)
Additions	12	35	47
Utilised	-	(3)	(3)
At 31 March 2021	261	616	877

The costs for dilapidations of offices are provided for. The prior year provision has been reassessed and some provision released. New provisions have been added for new office leases taken out. The various leases have various lease end dates, ending between the next financial year and 2026/2027. The individual reimbursements are expected to be made at the end of the relevant lease, upon exit from the property.

Income has been provided against where applicable. Some previous provisions relating to support services have been reversed during the year as it is now felt unlikely that a transfer in funds will materialise. New provisions have been added relating to disputed support hours. These outflows are expected to be incurred in the next financial year. Some disputes have been resolved during the year and the provision utilised.

Parent	**Dilapidations**	**Income adjustments**	**Total**
	£'000	**£'000**	**£'000**
At 1 April 2020	249	749	998
Release of provision	(61)	(156)	(217)
Additions	12	26	38
Utilised	-	(3)	(3)
At 31 March 2021	200	616	816