



STRUCTURE, GOVERNANCE AND MANAGEMENT CONSTITUTION



STRUCTURE, GOVERNANCE AND MANAGEMENT CONSTITUTION

The Charity is a charitable company limited by guarantee and was set up by a Memorandum of Association on 24 April 1990. People Potential Possibilities, known on a day-to-day basis as P3, has no share capital and is a registered Charity with the Charity Commission.

METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

P3 is governed by a Board of Trustees which comprises a Chair and up to nine Trustees. The Chair is appointed by the Board from the existing Trustees. Trustees are recruited with regard to the balance on the board of people with relevant skills, experience, knowledge and qualifications. As well as looking for individuals with business, health/social care and governance backgrounds we aim specifically to include people who have lived experience of accessing services and carers. Prior to inviting nominations and applications for Board membership a skills audit review of existing members is undertaken in order to attract prospective members with the required experience, skills and knowledge.

The Board of Trustees meets a minimum of four times a year and is responsible for the overall direction and control of P3's activities. The Board also has an annual Away Day and sub-committees of the Board (with delegated authority) meet regularly to review and agree performance in key areas of operation. Each Sub-committee is chaired by a Board member, depending on their particular areas of expertise and interest. The Sub-committees in operation are 'Governance, Remuneration & Nominations,' 'HR, EDI & Safeguarding,' 'Audit, Risk & Assurance,' 'Finance & General Purposes' and 'The People Board.' Each Sub-committee has produced an annual workplan and reports to the main Board four times a year. The achievements of the Sub-committees are also summarised with an annual report to the Board.

The Board is responsible for taking decisions on the strategic direction of the Charity, approving major expenditure, major developments and through the Chair giving support and supervision to the Chief Executive.

POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

On appointment each Trustee signs a code of conduct and completes a register of interests. They are given a Trustee Induction Pack that includes the Charities Governing Document: The Memorandum and Articles of Association, a range of relevant policies and procedures, including conflict of interest and other guidance. The pack contains a Trustee job description and a copy of Charity Commission Guidance Leaflet CC3, The Essential Trustee: what you need to know. New Trustees meet with the Chair and Chief Executive to discuss:

ACTIVITIES FOR ACHIEVING OBJECTIVES

Current activities include:

- Direct access homeless accommodation
- Supported accommodation for people with mental ill-health
- Complex and chaotic needs service
- Floating support for people with mental ill-health
- Floating support services to help people keep their home
- Floating support services for people with addiction issues
- Hospital discharge support for people with mental ill-health
- Street outreach work
- Mental health crisis accommodation for women
- Navigator general advice services for young people
- Jobshop training/job advice services for young people
- Registered Social Landlord
- Supported accommodation for young homeless people
- Link worker services to people with chaotic lifestyles and complex needs
- Youth services including alternative education and youth clubs
- After school and play services
- Specialist hoarding services for people
- 24-hour mental health helpline support for people
- Out-of-hours helpline support for people who are homeless

PUBLIC BENEFIT

The Trustees have complied with the duty in Section 17 of the Charities Act 2011 and given their careful consideration to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives for the year. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Board has agreed that the best way to meet the needs of the people we work alongside is through contracting for specialist services while also influencing the way that services are provided and shaped through our expertise and knowledge. To this end, we continue to maintain our independence as an organisation in relation to public policy issues that are relevant to the people who are accessing our services and we will continue to put forward our views on how services could be improved.

STRATEGIC REPORT ACHIEVEMENTS AND PERFORMANCE

Over the last financial year, P3 has again become a bigger, stronger and more diverse organisation. In 2022/23, across the group an average of 750 (720) staff and almost 225 (300) regular volunteers supported 30,000 (28,000) people across towns and cities over seven regions in England—the South East, the South West, the North West, London, East Midlands and West Midlands—helping people to achieve their goals and aspirations.

VIABILITY STATEMENT

The Executive have assessed the prospects of the Charity up to 31 March 2025. We believe that this period is appropriate for P3 since it reflects the fact that the Charity has limited visibility of contract bidding opportunities beyond this time frame and that approximately 40% of current year revenue relates to contracts where the contract term comes to an end within three years. During the year we continuously examined the principal risks facing the Charity, including those that would threaten the execution of its strategy, business model, future performance, solvency and liquidity. We recognise the impact of inflation, the cost of living crisis, demographics in our forecasts but appreciate these risks are increasingly hard to predict.

Management and mitigations of risks have been included when considering the future viability of the Charity. The Charity's principal risk review considers the impact of these principal risks and ensures mitigation plans are in place.

In forecasting our financial results, we assume that contracts will end at their contractual date. What we actually experience is 85 per cent contract renewal rates and frequent contract extensions. Our projections are therefore the most prudent possible.

The Charity is delivering on the strategic priorities it set out and continues to embed these into the business. Our base projections indicate that our cash levels, debt facilities and projected headroom are adequate to support the Charity over the next three years. Our forecasts ensure our debt covenants are not breached.

The Charity's financial plan has been stress-tested against severe but plausible scenarios, on their own and in combination, to evaluate the future viability of the Charity, including but not limited to supply chain interruptions, inflation, contract attrition.

It is highly unlikely, but not impossible, that the crystallisation of a single risk would test the future viability of the Charity; however, unsurprisingly—and as with many organisations—it is possible to construct scenarios where either multiple occurrences of the same risk, or single occurrences of different significant risks, could put pressure on the Charity's ability to meet its financial obligations.

At this point, the Charity would look to address the issue by exploring a range of options including, amongst others; cost saving restructuring of central teams, disposals of parts of the Charity's operations to reduce net debt; and/or raising additional capital in the form of equity, subordinated debt or other such instruments.

Subject to these qualifications, and on the basis of the analysis undertaken, the Executive have a reasonable expectation that the Charity will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment. In doing so, it is recognised that such future assessments are subject to a level of uncertainty that increases with time, and therefore, future outcomes cannot be guaranteed or predicted with certainty.

The Executive have made the following key assumptions in connection with this assessment:

- There is no significant UNEXPECTED contract attrition and bid conversion rates are not significantly lower than anticipated.
- The Charity is able to execute its new strategy and deliver the forecast margin.
- The Charity is not subject to any material penalties or direct and indirect costs and/or losses.



RESERVES POLICY

The Trustees have examined the Charity's requirements for reserves in light of the main risks to the organisation. They are committed to generating sufficient reserves to support current organisational activities/growth and to meet the following requirements:

- Maintaining the organisation's assets in a good state of repair.
- Investing in new property to improve the standard of our estate, and grow the organisation.
- Providing a financial cushion against risk and future uncertainties.
- Resourcing the research and development of new services and initiatives.

Designated reserves are held by the Charity that represent the net book value of the tangible fixed assets after deducting loans in respect of freehold properties. Designated reserves that have been used to meet a specific liability would not need to be replenished, having served the purpose for which they were originally established.


To this end, the Trustees have established a reserves policy that is reviewed annually to ensure that the appropriate levels of reserves are maintained. Our General Fund Reserves are £13m and required contingency as per our Reserves Policy is £5.7m (£4.5m), our capital investment program is £2m leaving £5.3m in free reserves.

KEY MANAGEMENT PERSONNEL

The Remuneration & Nominations Committee meets twice each financial year to cover the following areas relating to Key Management Personnel:

- Nominations Policy & Strategy
- Remuneration Policy & Strategy
- Pension arrangements
- Employee incentive plans
- Performance evaluations for the Chief Executive and Trustees

The remuneration of the Key Management Personnel will be set in line with market guidelines to ensure the organisation remains competitive in the sector.



FOR THE YEAR ENDED 31 MARCH 2023

6 CHARITY STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries		
Social security costs		
Pension costs		
Settlement & Redundancies Payable		
Total	£18,855,862	£ 17,319,445

The number of staff in receipt of Redundancy & Settlements in the year was 24 (2022-16)

The average number of employees during the year was

	2023 No.	2022 No.
Social Inclusion	729	677
Support	42	40
Governance	7	5
Total	778	722

The number of higher paid employees was

In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	1	2
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
Total	7	6

The key management personnel of the Group comprise of 7 members (2022: 6).

The total employee benefits of the key management personnel of the Group were £761,712 (2022: £606,132).

During the year no trustees received any remunerations (2022 - Nil).

During the year no trustees received any benefits in kind (2022 - Nil).

During the year 8 (2022 - 5) trustees were reimbursed travel expenses amounting to £2,544 (2022 - £601).

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of People Potential Possibilities for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as each of the Trustees are aware at the time the report is approved:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

CHARITIES GOVERNANCE CODE

The Trustees are working towards the Charities Governance Code (Third Edition). We have taken the decision to integrate these into the organisational strategy and delivery plan. These are routinely reviewed by the Trustees.