

2020/21 Annual Report



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED



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South Devon Rural Housing Association Limited
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We are open from 8.45am to 4.45pm Monday – Friday

South Devon Rural Housing Association is an exempt charity registered with the Cooperative and Community Benefit Societies Act 2014 No R14949 and Homes England LH 0920.



STATEMENT FROM CHAIRMAN ROGER HANDS



Laying a firm foundation for our future expansion

This year has been one of consolidation and of dealing with the challenges of Covid and all that comes in its wake. As the results show, the year has been satisfactory – not least in the progress made in the sale of the Brimhay open market housing and thus Rural Homes being able to make loan repayments and contribute to SDR with valuable gift aid.



Since my last annual report we have been joined on the Board by Julie Parsons and we now have an excellent team with a breadth of knowledge and experience to bring to decisions regarding the association.

My thanks to new and existing Board Members for their work in various committees and other groups and dealing with the demands placed on board members of housing associations and the needs of SDR.

Effective

I am also delighted that there have been some effective senior staff changes – including Sara Maynard rejoining us as permanent manager at Forder Lane House, Barbara Matthews joining us as permanent Finance & Resources Director and Francis taking on the role of Deputy Chief Executive.

My thanks go to all colleagues on the Board – Christine as Chief Executive, the senior management team and the staff of SDR as a whole. All have coped with working through the difficulties presented by varied and developing government directions and the problems arising from self-isolation and other distancing measures.

Excellent progress

Alan Fox, Managing Director of Rural Homes Ltd., has been a great support to Christine and Francis and many thanks are due to him, especially for the successful

delivery of the first flats at Brimhay and excellent progress with the open market homes and 11 assisted living flats, soon to be occupied.

Regrettably, our search for a Development Surveyor has not yet been launched due to the impact of Covid. But this is to start imminently and we look forward to an in-house surveyor to work across RHL and SDR to help bring forward new projects that will fit our planned expansion.

Tenant welfare, good governance and high management standards generally remain at the forefront of our philosophy and practice.

High standards

We are delighted that Forder Lane House Care Home has a 'Good' rating from the CQC and that our outcomes measured against standard yardsticks are all very satisfactory. The Board continue to back the team in maintaining the high standards we strive for and ensuring that necessary resources are in place. Whilst we have been working successfully through our short-term strategy, we are also looking to a long-term plan. This has been developed through the year and the Board will be reviewing the detail to see that it is introduced fully during the 2021/22 business year.

I am pleased to commend this report to you.
Roger Hands

Meet the board



Sally Fairman

Sally has been a Board Member in two stints ranging over nearly 11 years. She brings with her experience of SDRHA's long history and local government policy as a former Deputy Chair of South Hams District Council. In 1995, Sally was appointed to the Housing Board as a Local Authority nominee. Her first priority is supported living and specialist care housing.



Julie Parsons

Julie Parsons is an Associate Professor in Sociology and Associate Head of School for Criminology, Sociology and Anthropology at the University of Plymouth. Her research interests focus on the lived experience of those at the margins of society and finding innovative approaches to give voice to those rarely heard. Prior to completing her PhD, she worked for 15 years as a volunteer for Home-start Teignbridge.

She has worked with people on placement at LandWorks, a Devon prisoner resettlement and rehabilitation project; she has published a range of articles, authored a book, and co-edited the 'Palgrave Handbook of Auto/Biography'; she is currently a volunteer for the New Bridge Foundation, a prisoner befriending service.



Seb Stewart

Seb joined the Board in 2016. He currently provides consultancy services and support to organisations with a focus on service delivery, design, strategic and business development, primarily in health and social care. Seb was previously an Army Officer, serving in the Duke of Wellington's Regiment and has an MBA from the University of Southampton.



Peter Symons

Born and bred in the county, Peter has 40 years' experience as a Chartered Surveyor specialising in the sale of rural property, mainly based in Totnes. Formerly a Partner in Stags, Peter currently runs a family business managing both residential and commercial properties.



Philip Vogel

Philip joined the Board in 2019 and currently chairs the Audit Risk and Governance Sub-Committee. He is an Ashburton Town Councillor, an elected Parishes member of Dartmoor National Park Authority and is Chair of Ashburton Community Land Trust. Philip has also been Executive Member at Teignbridge District Council with responsibility for Housing, Planning and Heritage.



Sarah Woodman

Sarah has lived in South Devon all her adult life. She trained in Town Planning and Housing, later working in public housing, then became involved in housing advice, new housing initiatives and implementing the homeless persons' legislation. After having her family, she became a Parish Clerk – a post she still holds. Sarah is also a private landlord.

A year of solid progress in the shadow of a global pandemic

Introduction from the Chief Executive

This has been a challenging but very positive year for both SDR, our subsidiary, Rural Homes Ltd., and the Group as a whole.

The performance for the year and our financial position are shown in the data sets that follow. But statistics tell only a tiny part of the story for an organisation whose very raison d'être is about people helping people.

Vulnerable

In this Annual Report we reflect the human sides of our operations, which cannot be measured in terms of Profit and Loss, but more importantly by looking at how successfully we have served our clients – many of them vulnerable people – in a time when even those not considered vulnerable have been at risk.

Our year, like that of everyone around the globe, has been dominated by the Coronavirus pandemic. All our staff and residents have been personally impacted in some way by Covid-19. This has disrupted daily life for us all – whether adjusting to working at home, home-schooling children, caring for elderly relatives or just simply dealing with the multiple anxieties the virus has brought, putting pressure on mental health.

We are immensely proud of how all of SDR's staff have responded to the crisis. In a very short period of time we went from thinking this was a virus that only affected China to having to empty our offices of staff and close our care home to visitors.

Keeping safe

We also had to work out how to change our service delivery to enable us to continue supporting our residents and communities whilst still keeping everyone safe.

The steady unfolding of the implications of the pandemic for every individual, every business, every charity and especially those in the health and care sectors, has made everyone aware of how dependent we all are – young and old – on each other for good health and, in so many cases, sheer survival.

Each one of us has had to learn to adapt to new ways of doing our jobs, exercising, relaxing and of course seeing our loved-ones. This has been especially true in the care home and social housing sectors, where one-to-one contact between family members is so vital to good mental health and maintaining good spirits. We want to pay tribute to the strength and resolve of all our tenants, and the good grace with which they have faced the challenges posed by Covid-19. We should also thank our suppliers for continuing to maintain stocks of important equipment and goods that we depend on to deliver services to our customers.

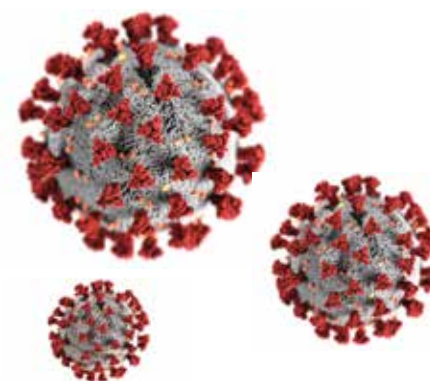
Heroes

Last but by no means least, a thank you to our wonderful employees for their flexibility and patience as our organisation has adapted and flexed to meet changing circumstances, often at short notice and against demanding odds. You are all heroes! The year has also seen some changes of key members of staff across the organisation. In November 2020 our Finance Director of many years, Claire Barnett, left the organisation and we welcomed Barbara Matthews as her replacement.

Welcomed

A Fellow of the Chartered Institute of Management Accountants, with a degree in Computer Science, Barbara has been Finance Director for several social housing providers, a large tenant management company and several smaller housing associations.

We have also welcomed a new Registered Care Manager at our Care Home, Forder Lane House. Sara Maynard is a Registered Nurse and brings with her significant experience and knowledge of the care sector.



CEO, Christine Candlish



Strategies and Objectives

We continue to follow our primary objective of creating more affordable housing in South Devon and the surrounding areas. We have an excellent reputation for delivering projects on time and managing properties very well. During the 2019-20 financial year, the Board developed a new Corporate Plan 2020-2025 - "Going Forward Together", which set out our aspirations for the next five years.

Whilst the Coronavirus pandemic has meant that during 2020/21 we have not made as much progress as we would have hoped against those objectives, we're on a journey and we anticipate a bright future ahead. We're proud to take with us the best from the past and the present. To support our ambitions, our corporate plan is focused on 4 key themes:

- Together with Tenants
- Our Aspirations
- Transformation and Innovation
- Independence

Investing in the Future

Work on 11 new 'Stepping Stone apartments' (see photo, right) specially designed and equipped for people with various levels of learning difficulties on a site at Dartington has continued. The apartments have been developed in collaboration with South Hams District Council and Devon County Council. This project is part-funded by a £400,000 grant from Homes England and the surplus from the sale of 5 houses built for open market sale in Brimhay Gardens by our development subsidiary Rural Homes. The apartments will be called Elmhirst Court in honour of the Elmhirst family who founded the Dartington Hall Trust.

Following completion of the first 5 market value houses for sale at Brimhay, work is now underway on construction of 4 of the remaining 7 houses. Acquisition of Honeywill Court, Exeter, from Kindle Homes for £450,000 was completed in February, 2021. This block of 16 purpose-build modern one-bedroom apartments has been managed by SDR for over 10 years.

The sale of a house and land at The Dennings, Kingsbridge, for £600,000 was completed in October 2020.

Rural Community Land Trust schemes at High Ham in South Somerset, Gittisham in East Devon and Parracombe in North Devon are all progressing.

Care and Support

A Care Quality Commission (CQC) Inspection was carried out at Forder Lane House on 2 September 2020. The inspection was unannounced (with 24 hours' notice due to Covid-19) but was a planned inspection based on our 2019 CQC rating of 'Requires Improvement'. CQC wanted to check that Forder Lane House had followed the action plan produced in September 2019 and to confirm we now met legal requirements. The CQC now rates Forder Lane House 'Good' in all areas. Their report is published on the CQC website.



Our Service Standards

The regulatory framework requires SDR to include in our Annual Report how we are meeting the Regulator of Social Housing (RSH) regulatory standards, which relate to:

- Tenant Involvement & Empowerment Standard
- Home Standard
- Tenancy Standard
- Rent Standard
- Neighbourhood & Community Standard
- Value for money Standard
- Governance & Financial Viability Standard



RSH has published detailed definitions of the standards it expects against these headings – if you would like to read these, visit the Homes England website at: <https://www.gov.uk/government/publications/regulatory-standards>

Or get in touch with any of the contact names at the end of this report for a copy.

Here at SDR we believe that we meet the standards identified by the regulator. But we recognise that there is always room for improvement and we are committed to continuing to improve our performance each year. We support the regulator's view that performance can be improved by increasing the involvement of our tenants in running the association, and this report sets out how we aim to achieve this.

In setting our service standards to meet both our tenants' priorities and the regulatory expectations, SDR will:

- Set rents that are affordable, and only increase rents in line with regulatory rules
- Allocate all homes according to our published Lettings Policy, with particular priority given to local people
- Provide assured tenancies for all tenants, except where we manage property for other landlords

who require us to use Assured Shorthold Tenancies, or where we operate specific affordable housing schemes such as SHIRE

- Minimise the number of our properties that are empty at all times
- Operate a defined lettings standard
- Maintain a 24-hour responsive repairs service, with target times for action that reflect the urgency of the repair need
- Undertake a stock improvement programme on our own properties each year, to ensure they continue to meet the government's Decent Homes Standard
- Inspect all our housing sites bi-monthly, quarterly – or six-monthly for individual outlying properties – to ensure that communal areas and gardens are maintained properly, and identify any problems that need to be addressed
- Respond actively to protect our tenants against anti-social behaviour and take strong action against perpetrators
- Address any complaints as quickly as possible in accordance with our published Complaints Policy
- Work with other social housing organisations on local initiatives, where this can benefit our tenants
- Keep under review our Local Offer to Tenants, taking into account tenant comments.

How well are we performing?



In this section, we aim to give you information about how well we are performing.

The chart below includes a number of 'performance indicators' showing SDR's current performance (over the last year). To put these figures in context, we have also included SDR's performance the previous year (2019/20) as well as average performance for a group of housing associations similar to SDR (our 'benchmarking club').

PERFORMANCE INDICATOR	Performance 2020/21	Performance 2019/20	Benchmarking club average
Emergency repairs completed on time	100%	100%	100%
Urgent repairs completed on time	100%	100%	95%
Routine repairs completed on time	98%	90%	93%
Rent lost through empty properties	0.07%	0.17%	0.4%
Average Time to re-let an empty property (days)	38	14	23
Rent arrears after housing benefit due is taken out	0.52%	0.58%	1.8%
Average weekly rent	£97.57	£98.77	£98.48

You told us that repairs & maintenance is the most important service we provide to you. We continue to monitor all aspects of satisfaction (or dissatisfaction) with the service we and our contractors provide. We investigate all reports of dissatisfaction through our quality assurance system.



Overall satisfaction

Performance 2020/21	Performance 2019/20	Benchmarking club average
100%	97%	87%

The financial year 2020-21 was dominated by Covid-19. Despite this, life carried on as close to normal as possible in our Care Home, where Christmas and Easter were celebrated in style. Major building projects were delayed by lockdowns but our contractors worked hard, with new homes for sale being completed and 'Stepping Stone' apartments at Brimhay progressing well.

Life goes on



(above) New houses at Brimhay
(right) New homes at Avondale



(left) Stepping Stone apartments near completion
(below) Apartments for over 50s at Brimhay



(below) Easter Bonnets
(right) Rustic homes at Broomborough
(bottom) Christmas lunch at Forder Lane House



CASE STUDY I – keeping people safe

Coping with Covid

In the financial year covered by this Annual Report, the global pandemic took a firm hold, grabbing headlines and breaking records for all the wrong reasons.

Corporately, we needed to react nimbly to the logistical issues posed by the Coronavirus and the impact that the pandemic was having on the everyday business of running such a complex operation.

Our entire organisation – including processes and team structure – had to be restructured to ensure all functions continued to work normally.

Here, we focus on the response to the potential threats and everyday challenges faced by the team caring for residents of our Forder Lane House Care Home. FLH is just one of thousands of similar facilities around the country housing those recognised by Government and Media alike as among the most vulnerable folk in our communities.

CARE HOME TEAM RISES TO AN UNPRECEDENTED CHALLENGE

From the outset, staff at FLH sustained and enhanced routine hygiene measures to minimise risks to the health of residents and employees.

Operations Director Francis Bourke said: “We have consistently applied infection control procedures and services that meet or exceed both the requirements of our customers and the latest Government guidance.

“This has been achieved through testing, use of the correct PPE, social distancing, hand hygiene, a regimented cleaning regime, controlled visits and safe admissions.

“Staff and managers strained every sinew to stay ahead of the game and they are all to be congratulated on their loyalty and forbearance in these unprecedented circumstances”.



The professional approach of carers was complemented by the actions of friends like the daughter of one of our care home residents, who paused her fabric business whilst she and the resident's niece made face masks and scrubs to boost stocks of these vital protective garments.

The objective of our care home team was always to maximise protection whilst curtailing disruption to the normal lives of residents, including visits from family members. Staff reacted quickly to each successive set of Government guidance and lockdown procedures.

STRINGENT

Aware of the benefits that residents gain from seeing relatives, steps were taken to enable family visits where possible, with a dedicated space set aside for face-to-face, socially distanced encounters, followed by stringent room and surface cleaning.

Sadly, as New Year 2021 got under way, a small number of staff members tested positive for Covid and all of them immediately started self-isolating at home. Forder Lane House went into a pre-planned full lockdown procedure, with all residents isolated in their rooms and attended by staff wearing full hospital-grade PPE.

Management worked with Public Health England to ensure that FLH was consistently complying with all Government advice for facilities where older people are being cared for and that everything humanly possible would be done to prevent the spread of infection.

ON TARGET

Chief Executive Christine Candlish said: “As we prepare to enter our third operational year of living with Covid-19 and its widespread impact, we're looking forward to an easing of restrictions on free movement, enabling relatives to visit their loved ones on a regular basis.

“With this in mind, everyone is on the alert to react to new developments and ensure that every care is still taken to keep our residents safe.

“We will continue, as ever, to make infection control and general hygiene top priorities and our organisation is now better prepared than ever to cope with any new challenges that may arise”.

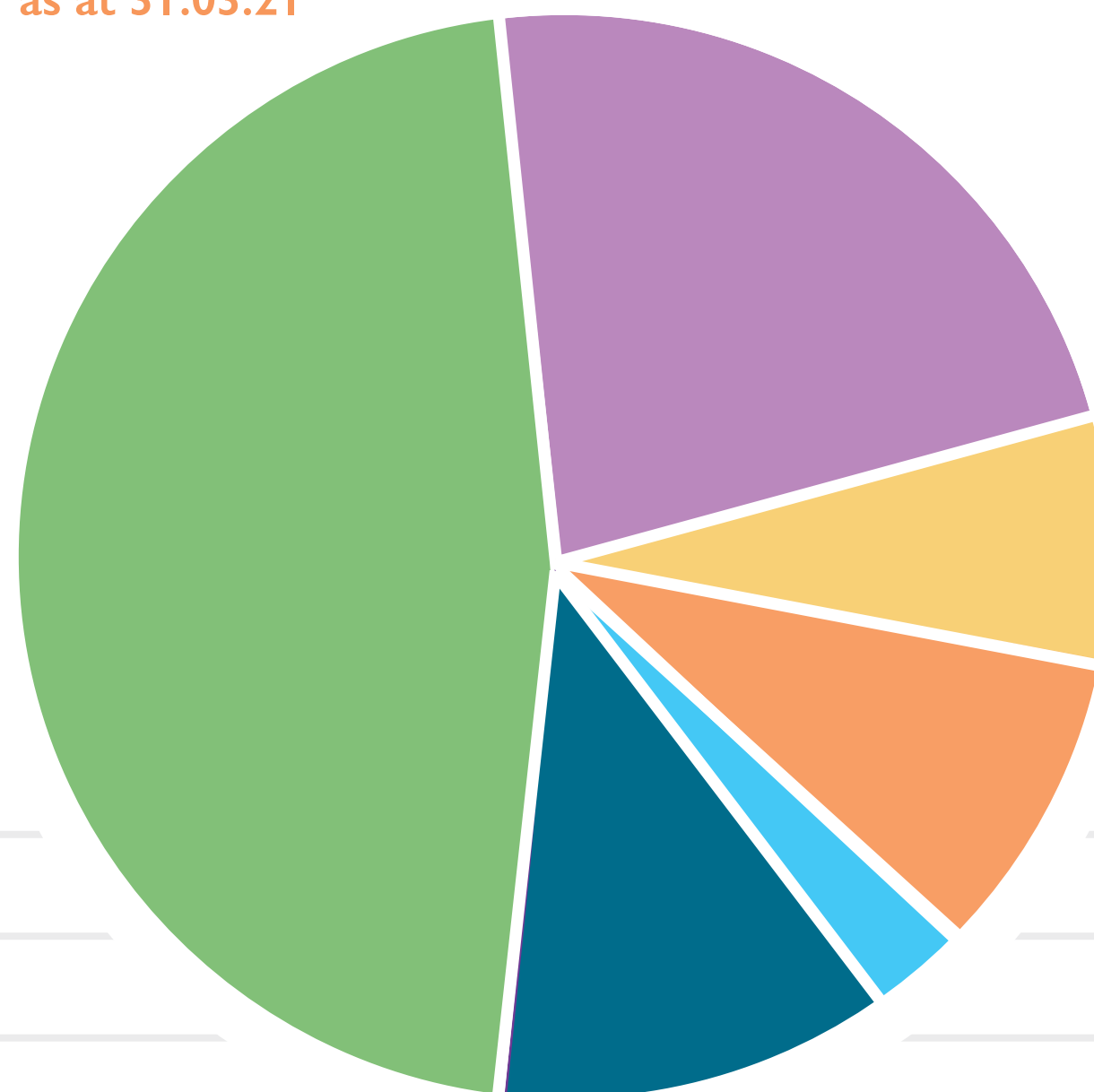
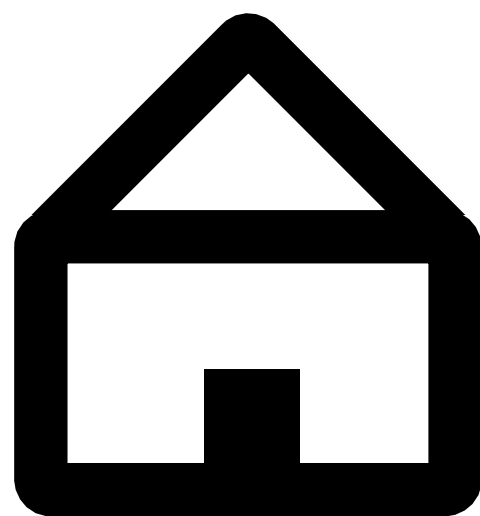
Resident Alec Stone with care home staff wearing the scrubs and face masks that were made by Alec's daughter.



Staff at Forder Lane House in full hospital-grade PPE.



Our Rented Stock as at 31.03.21



Pipeline/future development

The Association is following its development strategy and intends to build more affordable homes and more homes for sale to subsidise the building of affordable homes.

Brimhay – Continuing to sell 12 family homes on the open market in phases from August 2020 onwards. Completion of 11 one-bed apartments at Elmhirst Court for people with learning disabilities, due July 2021.

Total
Stock
357

**General
Needs
Properties**

**Housing for
Older People**

**Residential
Care Home
Bedspaces**

**Intermediate &
Submarket Units**
(at 80% market rents)
2, 3, 4 bed house let on
shorthold tenancies

**Supported Housing
(Learning
Disability)**

**Managed but
not Owned
Properties**

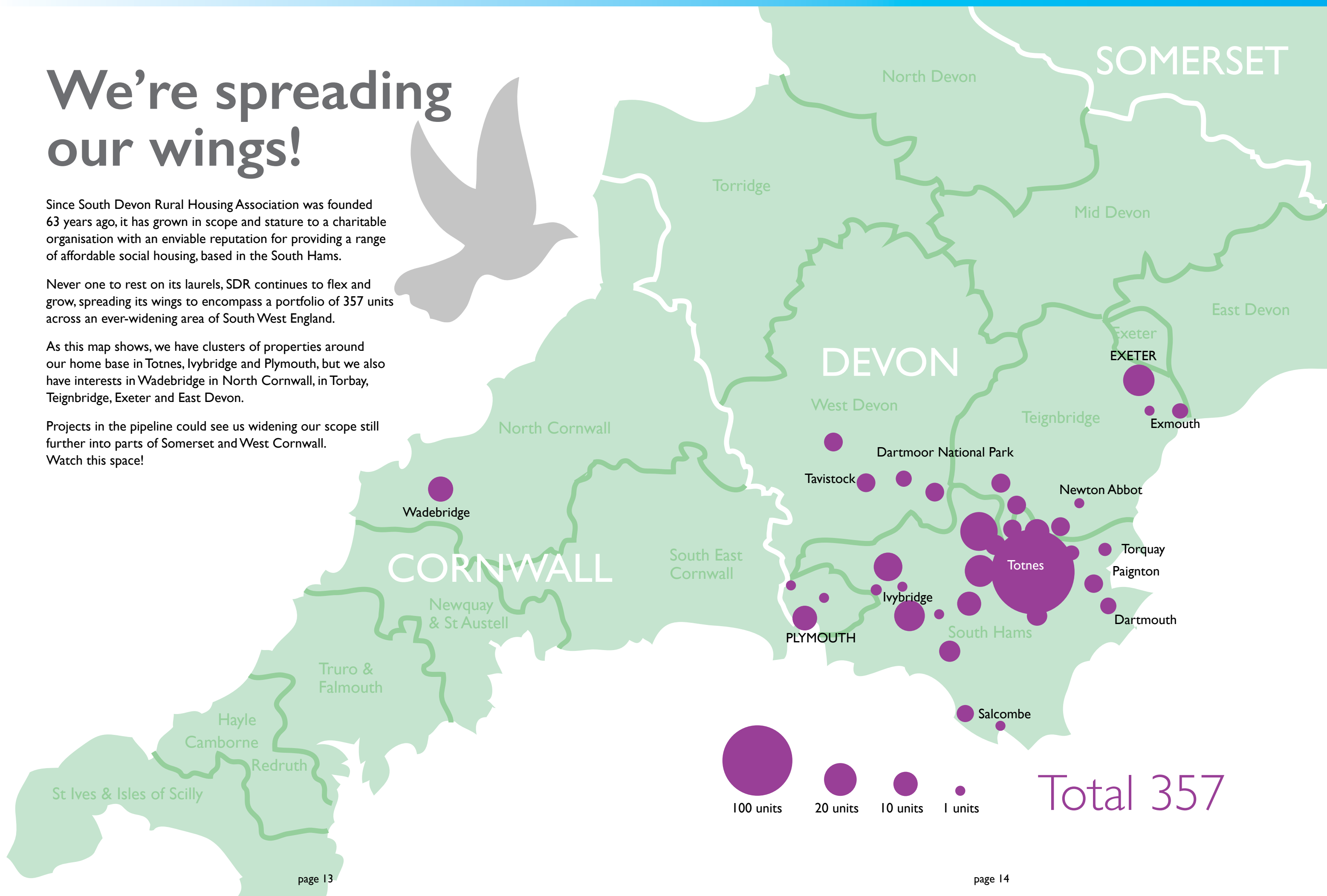
We're spreading our wings!

Since South Devon Rural Housing Association was founded 63 years ago, it has grown in scope and stature to a charitable organisation with an enviable reputation for providing a range of affordable social housing, based in the South Hams.

Never one to rest on its laurels, SDR continues to flex and grow, spreading its wings to encompass a portfolio of 357 units across an ever-widening area of South West England.

As this map shows, we have clusters of properties around our home base in Totnes, Ivybridge and Plymouth, but we also have interests in Wadebridge in North Cornwall, in Torbay, Teignbridge, Exeter and East Devon.

Projects in the pipeline could see us widening our scope still further into parts of Somerset and West Cornwall.
Watch this space!



CASE STUDY 2 – CATERING FOR ALL AGES AND NEEDS

Flats offer taste of independent living

WITH A
NOD TO
FOUNDERS OF
DARTINGTON
HALL TRUST



Scheduled to open in September 2021 are 11 new 'Stepping Stone' apartments, specially laid out and equipped for people with various levels of learning difficulties, on our site at Dartington. This latest development symbolises the broad spectrum of ages and needs that we aim to cater for going forward.

Just before the end of the financial year (31 March) we agreed with South Hams District Council that these new apartments should be named *Elmhirst Court* – in honour of the Elmhirst family who founded the Dartington Hall Trust and whose pioneering work made our area a magnet for people with creative minds.

COLLABORATION

We felt it appropriate to give our new project a name reflecting and sustaining all that's been good about the area for the past century since Dorothy and Leonard Elmhirst purchased the neglected 14th century Dartington estate in 1925.

This project, Phase 5 of our Brimhay Development Scheme, is a collaboration with Devon County Council (DCC) and South Hams District Council.

Working with the two councils started early in the design process, to ensure the specification best matched the needs of intended occupants.

Everything from the building layout, to ease of access and suitability for a range of mobility issues, was covered

with the help of DCC's Locality Team. This includes wider doorways and reinforced weight-bearing for hoists and mobility aids.

The 11 flats are funded by a £400,000 grant from Homes England and the sale of market-value homes on our Brimhay Gardens development, through gift aid of the surplus from these houses from our development subsidiary, Rural Homes Ltd.

Builders made good progress despite Covid lockdown interruptions and a short delay in delivery of bespoke window frames. Completion was scheduled for late June, followed by a handover ceremony. We will work with DCC to identify and short-list the first tenants, with occupation by September.

CONFIDENCE

Chief Executive Christine Candlish said: "These fantastic homes will provide tenants with a safe, secure place to live. For many this will be the first taste of independent living, away from families, offering a chance to develop and grow in confidence. They will continue to be supported by their care teams.

"We continue to deliver genuinely affordable housing in South Devon for clients in a wide range of ages and needs. Providing this type of home in a village setting is vital in enabling local people to stay close to family and friends and feel part of their local community".



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

Value For Money (VFM)

Value for Money is an important part of our culture. It sets the tone for doing the best for our customers and is one of our fundamental values: Using our resources efficiently and effectively.

We measure our performance against the previous year and benchmark ourselves against similar small housing associations as part of the SW Benchmarking Group. This year we have also joined a care benchmarking group, enabling us to assess services provided in our care home against other similar provisions.

Our definition of VFM is simple: To produce as much value as possible for the money and resources we have available. The value we produce is directly related to our social purpose, as set out in our mission statement:

SDR is a socially responsible business delivering quality homes and support services which change people's lives. We are engaged, innovative and work in collaboration with others to enhance the wellbeing and independence of individuals and communities.

So, VFM is about making a bigger difference by delivering quality homes and the best support services we possibly can with the resources available. We will do this mindful of the legitimate and sometimes competing interests of our key stakeholders: tenants, local communities, local partner organisations, taxpayers and funders.



Our strategic approach to VFM and use of resources:

Our VFM strategy can be summarised as:

- being clear about what we do, our purpose, objectives and the value we produce
- recognising how our operating context influences what we do:
 - the needs and aspirations of our stakeholders, particularly the profile of our customers,
 - the local and national context.
- ensuring the system of value production is optimised:
 - do the right things - a business plan that focuses resources on the right activities by making informed choices to achieve our corporate priorities
 - with the right assets - ensure we have the right physical and human assets for the right cost
 - in the right way - efficient and effective delivery
 - using the right tools - we need the right tools to allow us to evaluate success and apply learning
 - using the right tools - allowing us to evaluate success and apply learning and to check we have delivered the right outcomes, including making a surplus and efficiency gains for reinvestment in our social objectives.

Our embedded approach to the delivery of VFM on a day-to-day basis:

Our Board head up the Association's approach to VFM, holding the Senior Management Team to account for VFM performance.

The need to maximise VFM is embedded in the culture of the Association.

We compare our performance against other housing associations in SW England to identify improvements in the way we deliver services.

Value For Money *continued*

Strategic Objectives: How have we done so far?

DEVELOPMENT

To develop and manage sustainable, community-based, affordable housing and related services for South Devon and surrounding areas (existing operations are in South Hams, Teignbridge, West Devon and Exeter) where there is a proven need and good strategic fit.

There are a number of development projects, including the Brimhay development, where Rural Homes Ltd. and South Devon Rural are working to deliver more affordable rented properties to local people. Our aim is a development programme secured on existing assets, which directly promotes the delivery of community-led housing projects and builds affordable homes that meet the needs of local people.

New supply delivered %

This metric sets out the number of new social housing and non-social housing units acquired or developed in the year as a proportion of total social housing units and non-social housing units owned at period end.

Twelve social housing units were developed or acquired in 2019/20 at the Brimhay redevelopment project. Due to the Coronavirus pandemic the next phase, 11 supported living apartments, was delayed, but will be available in 2021/22. In February 2021 the Association acquired 16 properties at Honeywill Court from Kindle Homes Ltd. for whom we had previously managed these properties. We are working to secure a pipeline of development opportunities stretching a number of years into the future. Rural Homes Ltd. is assisting SDR and has identified a number of projects which could provide around 18 affordable homes over the next three years. SDR is a member of Partnership South West, a development consortium able to apply for grants from Homes England, to provide affordable housing.

A. New supply delivered (Social housing units)

2019/20	2020/21	SWBM Median 2020/21
3.8%	5.0%	0.34%

B. New supply delivered (Non-social housing units)

2019/20	2020/21	SWBM Median 2020/21
0%	0%	0%

Housing Properties at cost before depreciation has increased from the 2020 figure of £22,738,000 to £24,006,000. This includes 35 properties purchased since May 2008 under the South Hams Intermediate Rent Enterprise ("SHIRE") scheme, total cost £4,994,000. The net book value of the Association's fixed assets has increased from £19,382,000 to £20,122,000. Details of fixed assets are shown in Note 11. The Association sold one property during the year, which was purchased for refurbishment in 2019 but found to be too costly to refurbish. It was subsequently sold at a small loss. Excludes any properties developed by the subsidiary Rural Homes Ltd.

HOUSING SERVICES

To provide a housing management service that is cost-effective, customer-focused, responsive to resident influence, and achieves a high rate of tenant satisfaction. Ensure staff are knowledgeable of stock, schemes and local needs, and are well-trained in relevant service areas. This is supported through training, regular site visits and customer feedback.

Headline social housing cost per unit

The unit cost metric assesses the headline social housing cost per unit as defined by the Regulator. The cost increase from 19/20 to 20/21 reflects inflationary increases.



Including the Care Home

2019/20	2020/21	SWBM Median 2020/21
£4,305	£5,056	£3,471

Excluding the Care Home, which is a fairer comparator to the benchmarking club because care home running costs are high, and other local housing associations do not run them.

2019/20	2020/21	SWBM Median 2020/21
£2,457	£2,867	£3,471

Arrears as a percentage of rent receivable

This is the level of rent owed by tenants compared with the amount due for collection. The Association performs very well and our tenants pay promptly. The Association offers a number of ways to pay rent. Payment by Direct Debit was introduced several years ago in preparation for the Universal Credit roll-out. There are currently 56 SDR households claiming Universal Credit, with 23 in rent arrears totalling £4,431. The Housing Team works closely with these tenants to ensure their debt levels have not risen due to the transfer from Housing Benefit; they also support tenants in claiming Universal Credit. Total general needs tenant rent arrears is £7,950, with Universal Credit arrears showing 56% of total tenant arrears.

2019/20	2020/21	SWBM Median 2020/21
0.58%	0.52%	1.81%

Rent losses from voids – General needs stock

This shows that there is a demand for the Association's housing stock.

2019/20	2020/21	SWBM Median 2020/21
0.43%	0.83%	0.49%

FINANCE

To be a financially sustainable organisation. Ensure the organisation is able to grow organically, as well as funded through future borrowings identified in strategic plans approved by the Board.

The Association reports a surplus before taxation of £28,000 against a budgeted deficit of £13,146.

Turnover for the year in 2021 is £2,482,000, a reduction from £2,823,000 the previous year. This reduction relates to property sales last year. Operating surplus is £502,000 in 2021 compared with £490,000 in 2020 – a small increase on last year despite higher costs due to Covid-19 and grants being made available.

The Association's net assets of £1,907,000 have increased by £28,000 from £1,879,000 in 2020. Note that fixed assets are shown at book value of the properties owned by the Association, which is currently significantly below their market value. The Association shows its assets held as social housing properties at cost, with the table showing housing properties carried net of depreciation at £20,163,000. Note 11 of the accounts contains more detailed information.

Gearing % Gearing increased

This metric compares the level of liabilities less cash held, compared with assets held – like a mortgage loan-to-value comparator. The Association has embraced the need to ensure that assets are used to generate new social housing and continues to do so. The Association drew down the full amount of the new £500,000 loan to purchase Honeywill Court.

2019/20	2020/21	SWBM Median 2020/21
63.77%	53.51%	33.48%

Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) Interest Cover %

This metric shows how much cash is generated over and above what is required to pay loan interest. The Association has to generate 110% as part of loan covenants agreed with the banks.

2019/20	2020/21	SWBM Median 2020/21
158.49%	143.43%	248.50%

Value For Money *continued*

Operating Margin %

Our Operating Margin is lower than our Peer Group.

Operating Margin measures the surplus generated from turnover on our day-to-day activities. It is an indicator of operating efficiency and business health. In 2020/21, our operating margin on social housing lettings was 17.96%, that's 10% lower than the Peer Group.

Our aim, though, is not to achieve a high surplus but to run an efficient business with well-maintained assets.

A. Operating Margin (social housing lettings only)

2019/20	2020/21	SWBM Median 2020/21
17.83%	17.96%	27.49%

B. Operating Margin (overall)

2019/20	2020/21	SWBM Median 2020/21
17.35%	20.99%	24.25%

SERVICES FOR OLDER AND VULNERABLE PEOPLE

Provide, in partnership with other providers, care and support services that meet customer needs and comply with regulatory requirements.

The Home continues to perform well financially, with relatively low voids as a percentage of total rent for the year. It has been a challenging year but the Home has worked closely with local intermediate care teams to provide short-term respite placements and minimise void levels.



2019/20	2020/21	SWBM Median 2020/21
6.96%	12.0%	N/A

Unfortunately, due to the nature of care work, the Association has a high level of staff turnover. A slowdown in 19/20 reflected more stability in turnover of office and care staff. With a small staff team this will result in high percentages shown. The Association is committed to providing a good place to work, with good rates of pay. No other member of the SW Benchmarking Group has a Care Home.

Staff Turnover

2019/20	2020/21	SWBM Median 2020/21
22%	46%	N/A

The Association wishes to support staff for future pension arrangements and supports all staff who wish to join the Association's pension scheme, regardless of their pay level. This is a defined contribution scheme.

INFORMATION AND COMMUNICATION TECHNOLOGY

Operate an ICT strategy to meet current and future ICT needs of the Association.

Our aim to reduce reliance on paper records has been implemented during this financial year. Through use of document image management systems, all records should be computerised where possible. Staff are supported with mobile working technology to enable them to provide current information to tenants when visiting our housing schemes.

The Association installed a computer in the head office foyer so tenants can access online services such as Housing Benefit/Universal Credit systems and Choice-based lettings. Since Association staff started mostly working from home, residents have not been able to access this head office computer. All resident queries have been dealt with either by telephone, email or letter.

To support improved customer service and give tenants more control over their housing account, SDR has continued to promote software called My Tenancy, which enables tenants to access rent accounts, update personal details and report a repair.

RESIDENT ENGAGEMENT

A new Resident Engagement strategy is planned for development and implementation this year. There are currently a number of ways customers can get involved, such as input on policy review, feedback and ideas on how the Association can improve services, plus Customer Panels. The Association will continue to develop and promote further opportunities for customer involvement.

GOVERNANCE

Ensure high standards of governance and clear accountability and maintain probity in its direction. The National Housing Federation Code of Governance 2015 has been adopted. Following publication of the 2020 update to the Code, the Board will discuss changes with the aim of adopting the new code later in 2021.

ASSET MANAGEMENT

Ensure a good understanding of the Association's assets and how they perform. Use business analysis to support strategic decisions.

The Association reviewed its Asset Management Strategy in January 2020.

This defines SDR's overall approach to Asset Management in line with best practice, as defined by the National Housing Federation: 'The principal assets of a Registered Social Landlord are the homes it owns and manages. Asset Management in this context will therefore consist of a range of activities undertaken so that our housing stock meets needs and standards now and in the future, including the development, retention, investment in and sale of homes'.

SDR's definition of Asset Management is the range of activities undertaken so that our housing stock aligns with current and future needs, including the development, retention, investment in and sale of homes. It recognises that effective asset management includes three key elements:

Stock Investment

Maintain stock to a standard that meets customer needs and regulatory requirements. This is principally the stock investment programme designed to keep all properties to the agreed investment standard for the full period of the Business Plan.

Active Asset Management

Improve or replace properties with a poor social, economic or environmental performance, due to low demand or high costs; either improve them or replace them with properties that are fit for purpose.

Supporting wider objectives

Be clear where and how asset management is supporting wider objectives, such as new development or supporting wider community activities.

A planned component replacement programme over the next five years will ensure all properties are well maintained. The Association spent £85,000 on components in 2020/21.

Reinvestment %

This metric looks at spend on improvements to existing stock and spend on new housing, compared with the value of housing stock held. The Brimhay Gardens work that commenced in 2019/20 will be an investment of £1,400,000 on new properties. The Association has committed to spending £250,000 on works to existing stock in 2021/22.

2019/20	2020/21	SWBM Median 2020/21
18.75%	7.2%	3.25%

Return on capital employed (ROCE) %

This measure shows how well we use both our capital and debt to generate a financial return. It is a commonly used ratio to compare the efficiency of capital usage of different businesses in the same sector. Our return on capital is broadly in line with our peer group's average current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources.

2019/20	2020/21	SWBM Median 2020/21
2.28%	2.29%	2.46%



SOUTH DEVON RURAL
HOUSING ASSOCIATION LIMITED

Income and Expenditure

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	£'000	£'000
TURNOVER	4,411	2,875
Operating costs	(3,335)	(2,384)
Gain/(loss) on disposal of housing properties	(19)	-
Other income	99	-
	<hr/>	<hr/>
OPERATING SURPLUS	1,156	491
Interest receivable	-	6
Interest and financing costs	(493)	(502)
	<hr/>	<hr/>
Surplus/(deficit) before tax	663	(5)
Taxation	-	(5)
	<hr/>	<hr/>
SURPLUS/(DEFICIT) FOR THE YEAR and TOTAL COMPREHENSIVE INCOME FOR THE YEAR	663	(10)

This is an extract from the audited Financial Statements for the year.



Balance Sheet

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	2021	2020
	£'000	£'000
FIXED ASSETS		
Housing Properties	20,122	19,382
Other Fixed Assets	329	338
Investment Properties	315	315
Investments Unlisted	7	7
	<hr/>	<hr/>
TOTAL FIXED ASSETS	20,773	20,042
	<hr/>	<hr/>
CURRENT ASSETS		
Stock	149	1,164
Debtors	136	112
Cash at bank and in hand	1,994	740
	<hr/>	<hr/>
	2,279	2,016
CREDITORS: Amounts falling due within one year	(1,076)	(908)
	<hr/>	<hr/>
NET CURRENT ASSETS	1,203	1,108
	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	21,976	21,150
	<hr/>	<hr/>
CREDITORS: Amounts falling due after more than one year	(14,557)	(14,327)
Deferred Capital Grant	(5,428)	(5,495)
	<hr/>	<hr/>
	(19,985)	(19,822)
	<hr/>	<hr/>
TOTAL NET ASSETS	1,991	1,328
	<hr/>	<hr/>
RESERVES		
Non-equity share capital	-	-
Income and Expenditure Reserve	1,991	1,328
	<hr/>	<hr/>
TOTAL RESERVES	1,991	1,328