



S B H A



Annual Report
2019 - 2020

Enhancing Lives and Communities



Julia Mulloy
Chief Executive

The year's main events

Welcome to our Annual Report for 2019-20, highlighting our key activities and achievements during the year and how we are performing in delivering the standards and outcomes of the Scottish Social Housing Charter. Although the focus of this report is on the financial year 2019-20, it is important to acknowledge the unprecedented times we all find ourselves in with the ongoing Covid-19 pandemic.

The Covid-19 pandemic has presented an enormously challenging and worrying time for everyone. This was immediately preceded by major local flooding, and has certainly tested our business continuity planning and resilience. Like many businesses, we have had to quickly adapt to safely deliver and maintain essential services for Tenants.

The challenges of the pandemic have highlighted our important role in communities. Teams from across SBHA have joined together and worked closely with our partners to support the most vulnerable people in our communities. Tenants safety and wellbeing, and that of our Teams, has been our main concern.

I am extremely proud of the way in which the SBHA Team has adapted to such rapid and profound change. Their dedication and compassion throughout to supporting Tenants and communities has been inspiring.

Despite Covid-19, we have increased Tenant satisfaction with our services and achieved performance improvements in the year. We continued to invest in and improve the quality and energy efficiency of Tenants' homes; meeting standards; and delivering on our social purpose.

Moving forward, we know that the world and our operating environment has significantly changed due to the pandemic and the potential implications of Brexit, but we are ready to respond.

We may have to do things differently in future and are already planning for that.

At the end of 2019-20, we launched our 2020-25 Business and Strategic Plan setting out our objectives and how we will achieve these over the next 5 years. Fundamentally, this is a customer-driven strategy, focused on improving outcomes for Tenants.

In September 2020, Simon Mountford stood down at the end of his tenure as Chair of SBHA. Simon has overseen a period of extensive growth for SBHA and championed some of our most successful initiatives such as our business transformation model, governance review and growth of our new build development programme. He leaves a legacy of stronger governance and a culture of keeping Tenants at the heart of all we do.

On behalf of all at SBHA, a huge thank you to Simon for his dedication and commitment over the last 5 years. We look forward to his continued contribution as a member of the Board of Management as he hands over the role of Chair to Robin Hill.

Finally, thank you to all Tenants and Shareholders, SBHA's Board of Management and committees, our partners and the SBHA Team for their continued support during these extraordinary times.

Julia Mulloy
SBHA Chief Executive



Reflection from Simon

As my final year as Chair comes to a close, may I start by saying, it has been an enormous privilege to serve as the Chair of SBHA for the past five years.

Over this time, we have moved from a traditional service model into a new era; strengthened our engagement with Tenants and communities;

increased the quality of Tenants' homes and services; and developed stronger partnerships to meet needs, support investment and enhance our impact on the local economy. I am particularly proud of our increased contribution to the supply of quality affordable homes in the Borders through our expanded development programme.

I have seen the SBHA Team pull together and work with Tenants and communities through some extremely challenging times, including floods, heavy snowfall and, of course, the current Covid-19 pandemic. I am confident that, as we look to the future, SBHA will remain guided by our past, fully able to meet the challenges ahead and seize the opportunities this will inevitably offer.

I would like to thank my fellow Board Members, past and present; the Scottish Borders Tenants Organisation (SBTO); and the SBHA Team for all their hard work and support and for making my time as Chair both memorable and enjoyable. As I hand over the role of Chair into the capable hands of Robin Hill, I am pleased to have played my part in SBHA's journey. This has undoubtedly been the most satisfying job I have ever had and I am delighted to continue as an elected member of SBHA's Board of Management.

Simon Mountford
Board Member and Retiring Chair (AGM 2020)



giving Tenants a voice



This combined Annual Report and Landlord Report provides information on our performance in 2019-20.

This report has been developed in consultation with Scottish Borders Tenants Organisation (SBTO), and we are keen to seek your views on the style, content and performance outcomes. Please send your feedback to our Tenant Engagement and Communications Team at communications@sbha.org.uk.

In this report, we show how we are performing in progressing towards achieving standards and outcomes set out in the **Scottish Social Housing Charter**. We include comparison data on how we performed in 2018-19 and Scottish averages (where available) to see how well we are performing compared to other Scottish social housing landlords.



shows an improvement in performance



indicates no improvement since last year



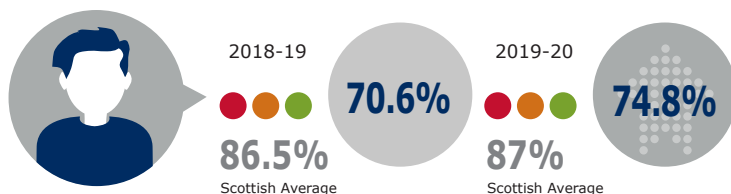
Great Customer Experience

Tenant and Community Engagement

SBHA places Tenants at the heart of decision making and listening to their views is essential in ensuring that our services remain responsive to their needs and expectations. The framework for how we do so is set within in our 2017-20 Tenant & Community Engagement Strategy, developed in partnership with Tenants.

During recent unprecedented times presented by Covid-19, effective Tenant engagement and communication has never been more important.

Tenant satisfaction with opportunities to participate



We aim to ensure that Tenants find it easy to participate and influence decisions at a level they feel comfortable with. We continued to engage with Tenants, offering a range of ways for them to get involved, such as taking part in surveys; attending our extended roadshow events; joining us on estate walkabouts; and assessing our delivery of promised standards through Tenant scrutiny activities.

As a result, more Tenants advise that they are satisfied with the opportunities we provide and feel that their views are listened to and acted upon.

In the coming year, in collaboration with Tenants, we will revise our Tenant & Community Engagement Strategy, looking to strengthen our approach and find innovative ways of engaging with all Tenants over the next 3 years.

Working together to improve services

We value our continued partnership with Scottish Borders Tenants Organisation (SBTO), the independent “umbrella” group of SBHA Tenants, whose remit is to consult with, and represent the best interests of SBHA’s wider Tenant population.

Last year, we worked closely with SBTO to develop and revise some key policies, including the Allocations Policy; Repairs and Maintenance Standard; and the 2020-21 Rent Increase. Alongside SBHA's Governing Members, SBTO also participated in the annual Business & Strategic Planning away-day event, contributing towards setting the strategic direction of SBHA over the next 5 years.

SBTO's Customer Audit Team (CAT) assessed our performance against the Property Improvement Standard and their recommendations for improvement are being taken forward.

Digital Engagement

The impact of Covid-19 has highlighted more than ever the value of technology in staying connected. Through the use of digital channels, we communicated with Tenants ensuring they were kept informed about changes to our services, expanding our use of social media; digital newsletters and our website.

We introduced new digital ways for Tenants to get involved, including virtual tours and online Q & A sessions with the SBHA Team. Support was also provided to Tenants, including SBTO, to get online and take part in formal virtual meetings, such as AGMs, as well as organised social events to prevent isolation and loneliness.

We recognise that not everyone has access to the internet and we will continue to find other forms of communication to ensure we do not leave anyone behind.



SBTO 2020 gardening competition

Scottish Borders Tenants Organisation Members at 31st March 2020

Dominic Brookes and Tracey Glover (Joint Chairpersons)	Kelso and Bowden
Ralph Nichol (Vice-Chair)	Newcastleton
Doris Charlton (Treasurer)	Newcastleton
David Elder	Peebles
Ella Elliot	Selkirk
Alan Frank	St Boswells
George Gilchrist	Innerleithen
Lynda Gilchrist	Innerleithen
Margaret Graham	St Boswells
Mel Haddow	Kelso
Gordon Saunders	Fountainhall
Allen Tills	Kelso
Margaret Tills	Kelso
Lyn Williams	Hawick
Angela Sulo	Bowden
Linda Mojsiuk	Kelso
Angela Barber (Hon Member)	Innerleithen
Marlen Jones (Hon Member)	Innerleithen





Henry Coyle
Director of Customer Services

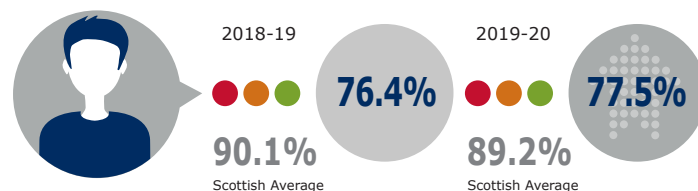


Listening to our Tenants and Customers

Digital is increasing becoming a preferred means of contact for Tenants with 75% advising that they now use the internet. As part of our commitment to improve our digital offer, we are pleased to have launched our new Tenant self-service app, "MySBHA", in Autumn 2019. Developed in consultation with Tenants, the app enables quick and easy access to our services such as booking repair appointments and paying rent. We plan to develop our digital platforms for engagement and our Team of trained Digital Champions will provide support to Tenants to help them get online, building their skills and confidence in navigating the internet.



Tenant satisfaction with SBHA's overall service

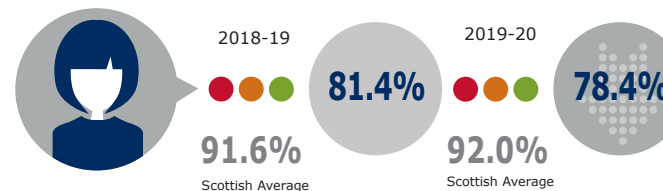


Delivering great customer experience is one of our key strategic priorities and the majority of Tenants advise that they are satisfied with the overall service we provide. We value the feedback we receive from Tenants and, encouragingly, more feel that we listen to and act on their views and that they would recommend SBHA as a landlord.

Tenants told us that our repairs service; the quality of their homes; the speed of our responses alongside first time resolution are all important to them. Acting on this, we improved our repairs service; continued our programmes of investment to modernise our homes; and responded to service requests more efficiently.

We will continue to enhance the customer experience by improving our communication with Tenants to ensure they are kept informed.

Tenant satisfaction with keeping them informed



We continued to make improvements our call handling service, with a focus on first point of contact resolution. We answered 58,261 calls in the year with 70% of these resolved first time - a marked improvement of 15% compared to the previous year - and satisfaction with the service received has also increased. Our extended opening hours, increased channels of access to services and efficient use of technology has enabled us to achieve this.

Since the national outbreak of Covid-19, our Teams quickly adopted a new operating model which included home working to continue to deliver essential services. This also included making over 4,500 welfare calls, providing re-assurance and offering enhanced levels of support. Tenants have told us that they value this and we will continue to provide these regular calls for those who have requested them.



Community Partnerships

We are proud to have worked alongside other local community groups and organisations, supporting people and helping build community resilience. This includes Community Assistance Hubs, food banks, digital inclusion projects, support for young people and projects to reduce loneliness. Since March, members of the SBHA Team have helped deliver food parcels to vulnerable people across the Scottish Borders. Their flexibility at such a challenging time has allowed us to remodel our service, so we can continue to reach the most vulnerable people in our communities.

Supporting Tenants and customers

The challenges of Welfare Reform continue and the number of Tenants in receipt of Universal Credit more than doubled to 1,289 in the year. This is continuing to increase during the current pandemic as more Tenants experience financial hardship with many having to navigate the benefits system for the first time. Our Financial Inclusion Team provided support and advice to over 600 Tenants in the year, securing a total of £323,000 additional household income.

We remain committed to ending homelessness in the Scottish Borders and contributing towards the delivery of the regional Rapid Rehousing Transition Plan. Last year, working with Scottish Borders Council, we helped a total of 262 homeless households find and move into SBHA homes - a 20% increase compared to the previous year. Despite having to suspend our general lettings activity for a period towards the end of the year due to Covid-19 restrictions, we continued to assist households in emergency housing need, providing 48 new households with settled and secure homes.

We continue to offer flexible housing options with support to enable people to live independently in their homes, whatever their stage in life. We carried out 109 adaptations to Tenants' homes in the year, at a total cost of £236,981, part funded by Scottish Government grant. We provide homes and support for young people leaving care in partnership with Scottish Borders Council through our Transitions 16+ Project. We are delighted to be working with Aberlour Children's Charity on plans to provide future housing and residential facilities for young people with disabilities and complex needs.





Caroline Purcell
Director of Property Services

Great Places



Investing in Tenants' homes

It is important that Tenants live in quality, affordable and energy efficient homes.

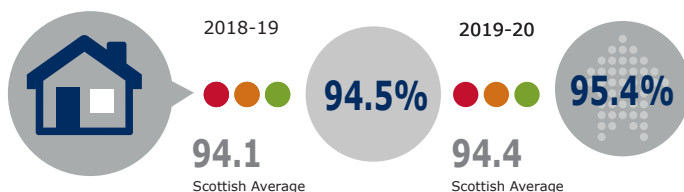
Last year, we invested £10.2 million in improvements to Tenants' homes as we continued to deliver our 6-Year Planned Maintenance Programme. In the year, we installed 272 windows, 304 doors, 208 new bathrooms and 750 heating systems.

Quality of the home

Investment in our existing stock ensures Tenants live in homes which comply with modern standards. We increased the number of homes meeting the Scottish Housing Quality Standard (SHQS) in the year with 95.4% brought up to this standard. We aim to improve on this further in the coming year by engaging with owners and Tenants to encourage uptake.

More Tenants advise that they are satisfied with the quality of their home compared to the previous year - up from 74% in 2018-19 to 79%. Although increasing, this remains below the Scottish average of 87% and, listening to Tenants feedback, we will continue with our investment plans in the coming year to improve on this further.

Homes meeting the Scottish Housing Quality Standard



Affordable warmth and energy efficiency

We achieved significant progress in the year in delivering our commitment to improve the energy efficiency of homes. With 95.1% meeting the national Energy Efficiency Standard for Social Housing (ESSH) - an increase of 16% in the year - we are well on target for achieving compliance with the Standard by December 2020. We secured £761,800 ECO3 funding to deliver energy efficiency measures to improve the warmth of 868 homes, and worked in partnership with Changeworks to provide Tenants with advice on energy tariffs and bills.

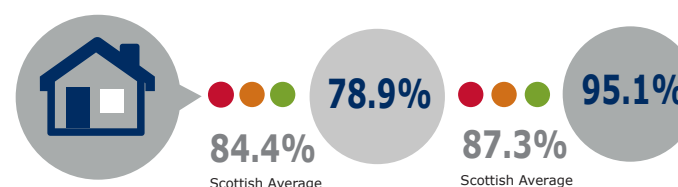
We are currently developing our plans to achieve ESSH2 by 2032, increasing energy performance levels and affordable warmth of homes.

Meeting housing demand and new homes

Demand for affordable housing remains high, and we let 659 homes last year, with 40% of these let to homeless households - up from 29% in 2018-19.

We continued to deliver on our commitment to increase housing supply in the Scottish Borders, contributing towards the Scottish Government's national target to build 50,000 affordable homes by 2021. Work commenced in the year to build 22 new family sized homes in Kelso, Oxtou and Peebles. Despite the challenges posed by the national Covid-19 restrictions, these are progressing well and we look forward to welcoming Tenants into their new homes in the Spring of 2021.

Homes meeting Energy Efficiency Standard for Social Housing



Repairs



We strive to ensure that Tenants' homes are well maintained and that we respond to repairs as quickly as possible.

We carried out a total of 14,711 repairs in the year, a reduction from 15,862 the previous year. This reflects efforts made to move to cyclical programmes of work and

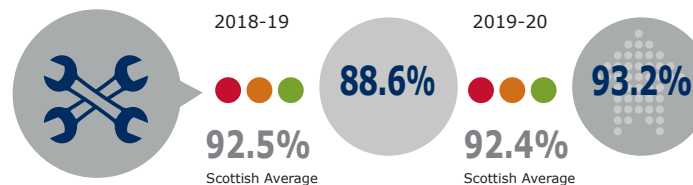
the impact of Covid-19 at the end of the year when service was restricted to emergency repairs only to comply with national restrictions in place.

Despite the challenges of operating in a wide rural geographical area, we improved our response to repairs in the year and continue to perform well compared to the Scottish average.

Average time taken to complete repairs

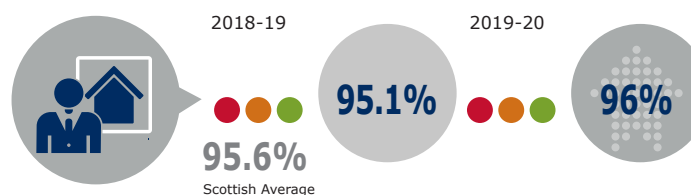


Repairs completed right first time



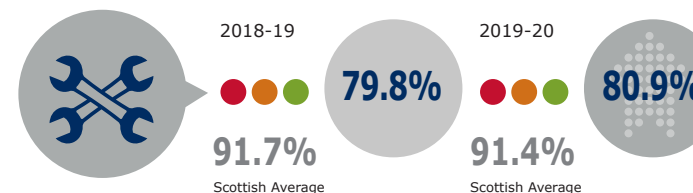
Recognising that getting it right first time is important to Tenants, we aim to fix repairs at our first visit. Acting upon Tenant feedback, we made improvements to how we deliver our repairs service and this is reflected in the increase in the level of repairs completed right first time.

Repair Appointments Made and Kept



We continue to provide a repairs appointment system, offering Tenants a choice on when work will be carried out. Tenants advise that this remains a valued service, and we strive to continuously improve to ensure that appointments are kept as promised and keep Tenants informed in the event that we are not able to do so.

Tenant satisfaction with repairs service



We are pleased that satisfaction with repairs increased in the year as we recognise this is a key service for Tenants. We know we can do more and plan to make further improvements in the coming year, working with Tenants to better understand their expectations and using their feedback to shape improvements to this service.



Bin store at Howden Road, Jedburgh



New paving at Strand, Innerleithen



Improvements to wall, Burnfoot



New steps, Burnfoot

Management of the Neighbourhood

In addition to maintaining homes, we also provide essential services outside the home, aiming to ensure that Tenants continue to live in well-maintained neighbourhoods where they feel safe.

Despite levels of Tenant satisfaction with SBHA's contribution to the management of the neighbourhood remaining stable, a higher proportion of Tenants tell us that they are satisfied with the place they live in (83%) and that they feel safe in their neighbourhoods (87%).

Our Community Teams continued to work with Tenants and residents to address local issues. Last year, we invested £253,000 through our Great Places and Estate Improvement Fund to improve the environment around homes, delivering locally driven improvements such as landscaping of communal areas, security and lighting, and community tidy-ups.

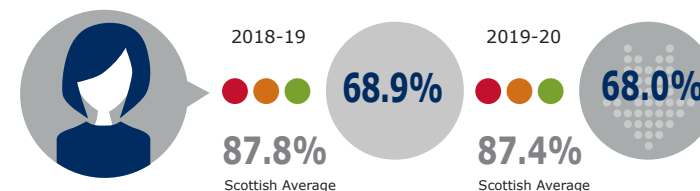
In the coming year, we will enhance our approach to the management of neighbourhoods in consultation with Tenants, developing local Neighbourhood Plans and a 6-year environmental improvement programme.

We will also seek to strengthen our communication to better inform Tenants of our responsibilities in mixed tenure estates; and work with communities and partners to find solutions for the benefit of all.



Estate walkabouts by Community Teams with Tenants will re-commence when Covid restrictions allow

Tenant satisfaction with SBHA's contribution to the management of the neighbourhood



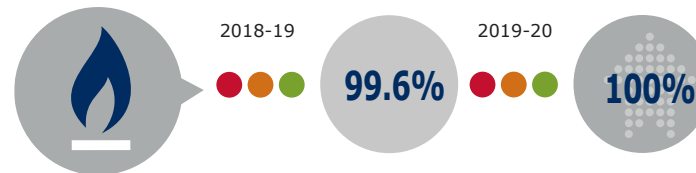


Keeping Tenants Safe

Tenant safety is of paramount importance to SBHA and our robust inspection and work programmes carried out in the year ensured compliance across several areas, including gas and solid fuel servicing, water management, electrical safety and the installation of new fire doors in communal blocks.

We carried out 100% of gas safety checks on time, an improvement compared to last year. Significant progress was also achieved in upgrading fire detectors in homes to LD2 standard, completing installations in 60% of homes - well on track to being fully compliant by the national extended deadline of February 2022. We thank all Tenants for their co-operation in providing access to their homes for our contractors to carry out these essential safety works, especially during the national pandemic.

% of properties which had gas safety check by anniversary

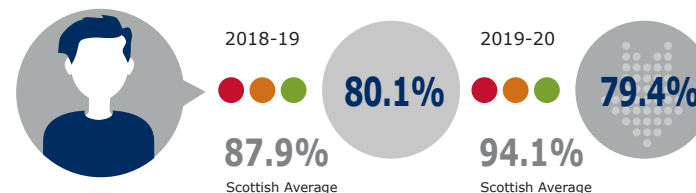


Working together to tackle anti-social behaviour

We understand that for those Tenants experiencing anti-social behaviour, this can impact on the quality of their lives and how safe they feel in their neighbourhoods.

Last year, we received 287 reports of anti-social behaviour - an increase of 14% compared to 2018-19. We work with partner agencies such as the Police and Scottish Borders Council to tackle anti-social behaviour and last year we resolved 79.4% of the cases reported to us. In conjunction with our partners, we remain committed to preventing and dealing with anti-social behaviour in our communities.

Anti-social behaviour cases reported in the last year which were resolved





Maria Lyle
Director of Business Support

One team

Job Creation in the Year



Modernising SBHA

The SBHA Team is key to our success and we remain committed to investing in and equipping our people to meet the changing and future needs of both the business and Tenants.

Our diverse Team has a range of skills, knowledge and experience and we have continued to invest in them to develop these further through our Learning and Development Plan.

As the way we live, work and interact changes, we have continued to modernise our working practices to deliver sustainable and efficient services.

We implemented our revised pay model across SBHA in the year, providing fair and competitive packages. This ensures the long term financial sustainability of SBHA and that Tenants' rents remain affordable. We have achieved Living Wage Accreditation, demonstrating our commitment to be a fair and equal employer.

We were delighted that our business-wide transformation programme – “Borders without barriers”- received national recognition during the year, as finalists in the Chartered Institute of Housing awards for “ Excellence in Organisational Change”.

Healthy Working Lives

The health and wellbeing of our people continues to be a priority. Our Healthy Living Group continues to create and promote a range of campaigns and activities, championing the physical health and mental wellbeing of our people. During the current Covid-19 pandemic, this has supported our people to continue providing essential services to Tenants.

Equipping Our People

We have investment over the years in technology to provide our people with the tools to enable them to do their job more effectively and to improve collaboration across the business. This investment and our flexible working culture meant that the transition to remote working during the pandemic was made with confidence.

Thanks to the professionalism and preparedness of our teams, we were able to adapt and mobilise our services in a safe way to continue to keep supporting Tenants and communities.

In the coming year we will be launching a new SBHA Team portal to enhance communication and collaboration across the SBHA Team.







Board of Management



Good Governance

SBHA is governed by its Board of Management, consisting of up to 12 members – 8 elected (of which 4 are SBHA Tenants) and 4 appointed. Governance is supported by 3 Sub-Committees (Audit and Compliance, the Customer Board and Remuneration and Nominations). The Customer Board comprises 4 Board Members and 3 Independent Members.

The Board of Management has collective responsibility for setting and overseeing the strategic direction, business and financial plans of SBHA and managing risk.

The Board of Management regularly assesses the range of skills, knowledge and experience that collectively the Board needs to ensure effective leadership. Recognising the increasing responsibilities and commitment required to maintain strong governance, following consultation with Tenants, remuneration of the roles of Chair of SBHA's Board and Convenor of the Audit and Compliance Sub-Committee was introduced.

The Board is responsible for ensuring compliance with statutory and regulatory requirements, including the Scottish Housing Regulator's Regulatory framework. The Board is required to submit an Annual Assurance Statement to the SHR on SBHA's compliance with requirements and standards.

The 2020 Assurance Statement is available in this report on p15.

SBHA Plus

The Association's non-charitable subsidiary supports growth through grants and commercial opportunities.

Members of SBHA's Board of Management as at 31st March 2020

Chair	Simon Mountford	Appointed Member	<i>(Joined 25th June 2012)</i>
Vice Chair	Michael Grieve	Elected Member - Tenant	<i>(Joined 16th September 2013)</i>
Members	Philippa Brosnan	Elected Member	<i>(Joined 20th October 2017)</i>
	Robin Hill	Elected Member	<i>(Joined 24th February 2016)</i>
	Ian Macdonald	Elected Member	<i>(Joined 18th December 2000)</i>
	John Paton-Day	Elected Member	<i>(Joined 12th September 2019)</i>
	Angela Sulo	Elected Member - Tenant	<i>(Joined 20th October 2017)</i>
	Allen Tills	Elected Member - Tenant	<i>(Joined 21st September 2017)</i>
	Ian McDonald	Appointed Member	<i>(Joined 20th October 2017)</i>
	Andrew Limmer	Appointed Member	<i>(Joined 20th October 2017)</i>
	Michael Levack	Appointed Member	<i>(Joined 30th May 2019)</i>

Members of the Customer Board (excluding Board nominees)

Convenor	Allen Tills	Members	Julie Black Gordon Saunders
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Members of the Audit & Compliance Sub-Committee (excluding Board nominees)

Convenor	Robin Hill	Member	Eric Glass
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At the 2019 AGM, David Pye, former Vice-Chair of SBHA's Board and Convenor of the Audit and Compliance Sub-Committee, stood down as a Board Member. We would like to thank David for all his valued contribution and dedication over his many years of involvement with SBHA.

2020 Assurance Statement



On behalf of SBHA's Board of Management, I confirm that we have appropriate assurance that SBHA complies with:

- all relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework
- all relevant legislative duties
- the Standards of Governance and Financial Management
- all relevant standards and outcomes in the Scottish Social Housing Charter.

The Board of Management is satisfied that, to the best of our knowledge, SBHA is compliant with the requirements of Chapter Three of the Regulatory Framework and the Regulatory Standards of Governance and Financial Management. We have gained this assurance from a review of a comprehensive bank of evidence and from our ongoing oversight and scrutiny of SBHA's affairs throughout the year (2019-20).

The evidence bank combines reports, policies, advice and information which the Board monitors and oversees on an ongoing basis throughout the year to provide continuous assurance that SBHA is compliant. Additionally, the evidence bank incorporates relevant documents and information that contribute to our assurance and which form the structure of SBHA's business and governance activities.

In assessing the evidence, we have adopted an improvement focus which has resulted in the creation of an Action Plan which we have begun to implement and will continue to progress during the course of the year. We have reviewed the identified actions in the improvement action plan and are satisfied that all are intended to deliver effective improvement and that none are material to our current compliance with the Framework.

In considering our compliance with our legal and regulatory requirements in 2020, we have taken account of the considerable impact of the Covid-19 pandemic and consequent business, economic and social disruption. We have complied with the temporary changes to legislation and continue to follow national and local policy and requirements e.g. in respect of health and safety, physical distancing, travel, office opening, use of PPE, application of Test and Protect requirements and indoor gatherings.

We are confident that the measures that we have put in place and the contingency planning that we have implemented have ensured that we are able to continue to meet our responsibilities to our tenants, service users, regulators and funders. Where we have adopted revised standards of service delivery, we have communicated changes clearly to our tenants and are maintaining the necessary records to ensure a smooth resumption of normal service levels when possible.

Our tenants' safety is paramount and we are assured that robust plans and programmes are in place to meet our legal responsibilities as a landlord and manage risks. As a result of Covid-19, we were unable to attain access to 7 properties to carry out gas safety checks within the 12 month anniversary date of certification due to the tenants not being willing to provide access because of their fears of potential transmission of the coronavirus. We worked with these tenants to reassure them of the safety measures and precautions we take and all our properties now have a valid gas safety certificate.

We recognise that we are required to notify the SHR of any changes in our compliance during the course of the year and are assured that we have effective arrangements in place to do so.

As Chair, I was authorised by the Board on 27th November 2020 to sign and submit this Assurance Statement to the Scottish Housing Regulator. This Assurance Statement is being published on our website on the same date that it is submitted to the SHR.

Robin Hill
Chair of SBHA's Board of Management



Resilient Business

How we ensure rent levels remain affordable

Value for money represents one of the key elements of a resilient business and achieving the right balance of quality and cost to maintain affordable rents remains our priority. Our rents remain in the lowest quartile of housing associations in Scotland. We carry out an annual consultation exercise on proposed future rent levels including affordability, considering investment priorities and choices.

Consulting on Rent Affordability and Levels

Last year, 262 Tenants took the time to talk to us about our rent levels, coming along to one of our roadshow events; participating in our telephone survey with our Teams; responding to our text message survey; or sharing their views through our questionnaire on rent affordability.

Taking account of Tenant feedback, it was agreed that rent increases would be linked to CPI rather than the RPI rate to ensure rent affordability. This meant that from April 2020, we applied an average rent increase of 2.5% - our lowest increase for some years.

74%

of Tenants
thought SBHA
rents were good
value for money.

Fast Facts



5605
homes

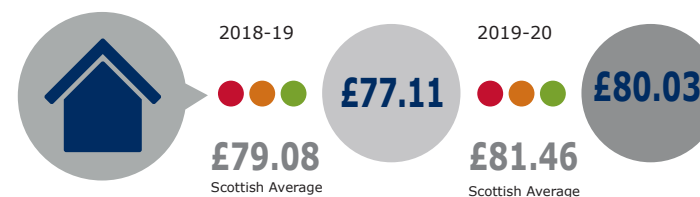


168 fte
employees



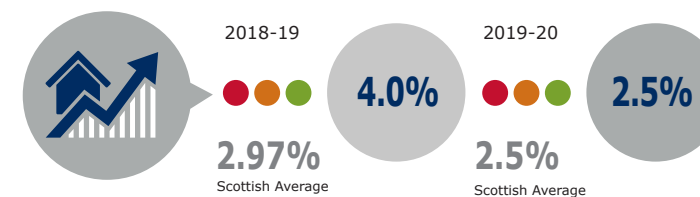
Over 40 settlements
covered in the
Borders

Average rent

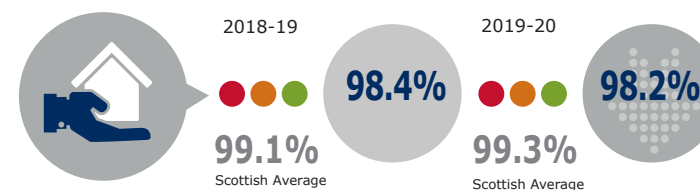


SBHA is in the lowest quartile of housing associations in Scotland.

Rent Increase



% collected of rent due





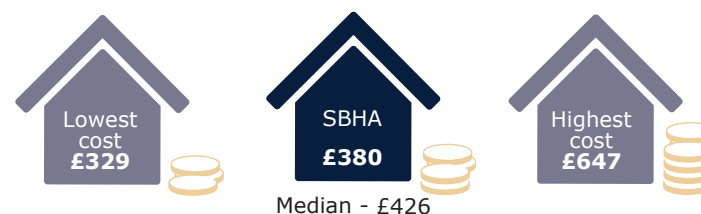
Value for Money

We have continued our value for money journey by using our HouseMark membership to benchmark costs, and the results below compares our 2018-19 costs with 14 other similar size housing associations across Scotland and the North of England.

This information allows for effective decision making on how to allocate resources to get the right balance between performance, quality and cost. Below shows SBHA costs compared with the highest and lowest peer group costs.

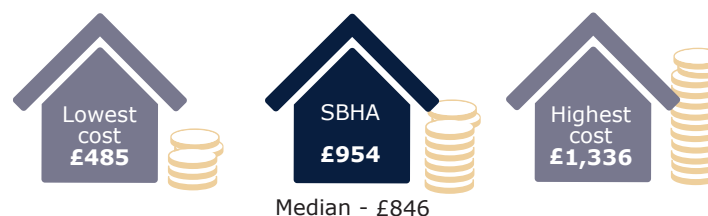
Housing Management £ per household

Costs have slightly increased but remain below the median. Greater resources have been focussed in this area to reduce patch sizes during the rollout of Universal Credit, in order to support our Tenants, maximise rent collected and reduce rent loss through empty homes.



Response Repairs and Empty Homes £ per household

SBHA's strategy is to reduce costs in this area, which are higher by nature, increasing cyclical maintenance to give better value. SBHA's high property investments are helping to reduce repair volumes. However, repairs required when homes become empty remain higher than sector averages. Mainly delivered by SBHA's in-house Property Services, activities will continue to ensure this is achieved at best value.

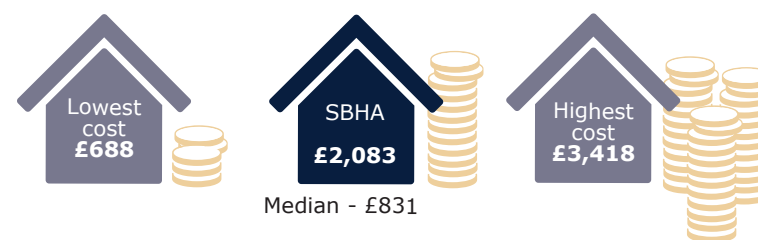


Major Works and Cyclical Maintenance £ per household

This shows our high level of investment in modernising homes as projected.

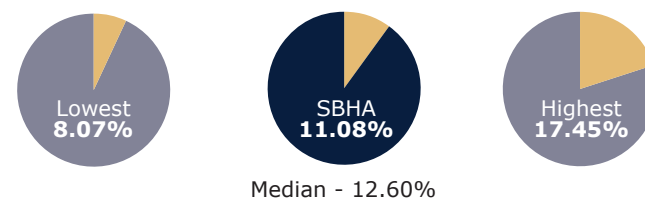
Cyclical programmes are increasing which reduce the need for costlier reactive maintenance.

Higher costs in this area are also attributable to safety checks such as gas, due to ever improving standards.



Overheads % of adjusted turnover

These are the costs incurred in keeping the business going. Even though this highlights a slight increase in the year, costs remain below the median. Re-procuring services and goods in this area and simplifying our processes using IT, supporting SBHA's digital shift will keep costs lower.



* Median – The median is the middle figure rather than an average, this ensures that landlords with either very high, or very low costs do not skew the figures in one direction.

Procuring best value, Delivering Quality, Maintaining Savings

Providing the right goods, services or works at the right time, in the right place, at the right price is the fundamental principle of SBHA's Procurement processes, along with keeping Tenants' needs at the heart of everything we do.

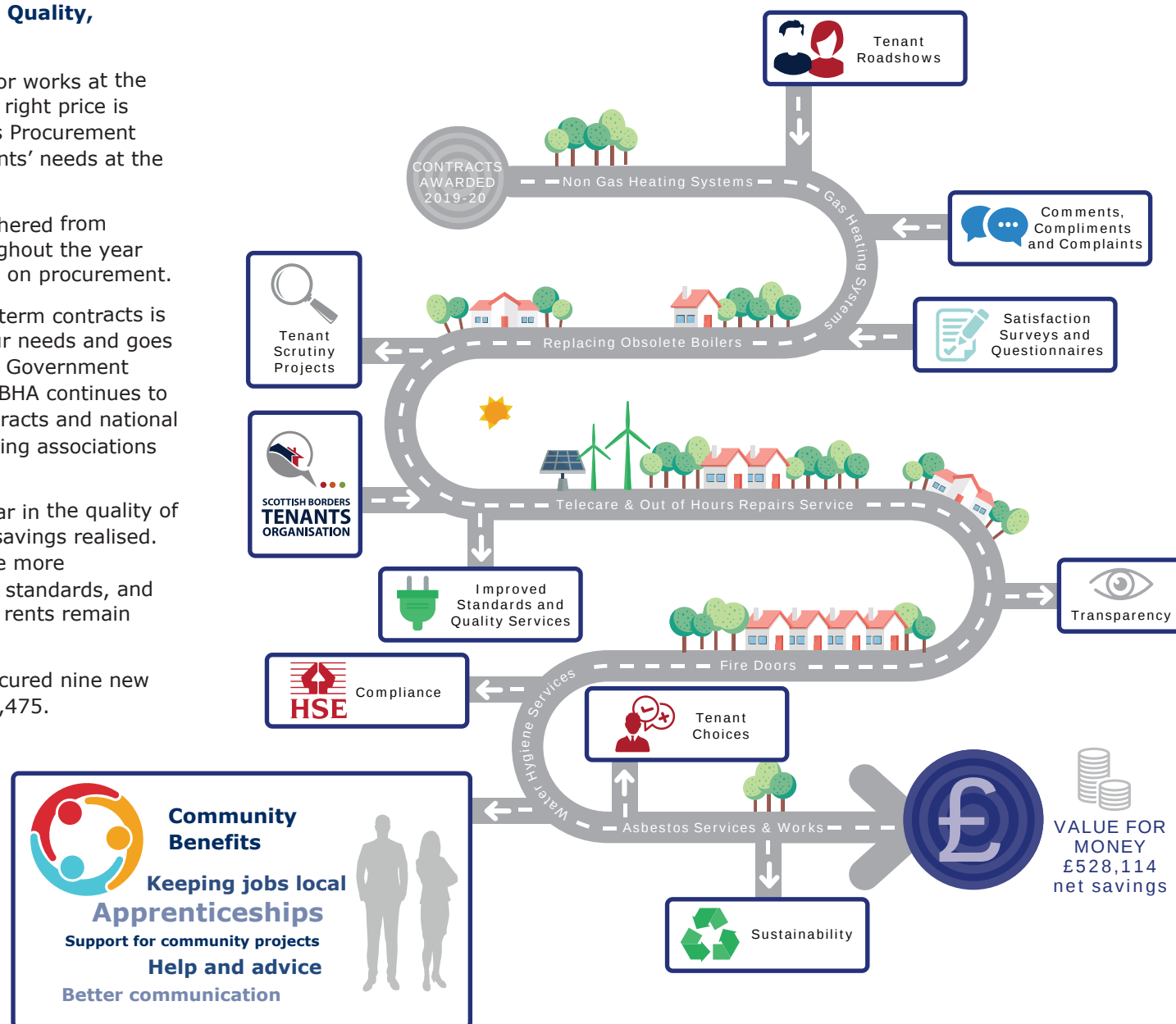
The invaluable Tenant feedback gathered from Tenant engagement activities throughout the year helps inform the decisions we make on procurement.

The strategic move towards longer term contracts is now our business as usual for all our needs and goes hand in hand with budget planning, Government standards and future projections. SBHA continues to benefit from using longer term contracts and national frameworks (contracts that all housing associations can use, set up at a national level).

The benefits we are gaining are clear in the quality of goods and services, as well as the savings realised. Savings ease cost pressures, enable more investment where needed, improve standards, and importantly help to ensure that our rents remain affordable.

During the financial year, SBHA procured nine new contracts at a total value of £9,608,475.

Over the next three years, we expect to award contracts totally approximately £18million. We will continue to consult and engage with Tenants to ensure that the homes and services we provide remain affordable.





Carly Stewart
Director of Finance

Financial Highlights

SBHA's financial stability and ability to meet funding covenants is underpinned by prudent business planning, with the financial risks and implications of the Covid-19 pandemic being assessed at year end and continuously monitored, and plans adjusted in the short and medium term.

Annual Turnover increased by 4.3% to £23.86m during the year, with rental income increasing by 4.2%. Rent loss due to empty homes decreased for operational lettable homes and the progression of demolitions and sales reducing unlettable properties by 42.

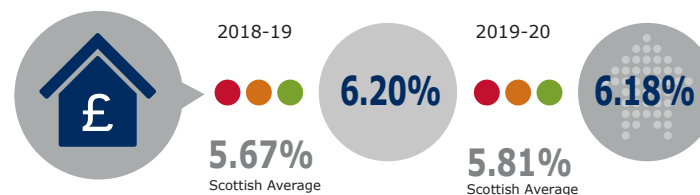
Overall operating costs remained at similar levels to the previous year. Planned and cyclical maintenance costs reduced by £58k but in cash terms when adding back those components capitalised increased by £1.53m (capitalised costs increased from £6.8m to £8.4m). This reflects continued efforts to ensure the budgeted programme is fulfilled and a reduction to future carry overs of improvements and to improve customer experience.

Rent collection was at a similar level to the previous year, with the number of tenants in receipt of Universal Credit increasing by 726 and bad debts expense increasing by 6.93%, intense management of this sector challenge remains key. SBHA has responded to the challenges created by the pandemic towards the end of the financial year end as seen in this report.

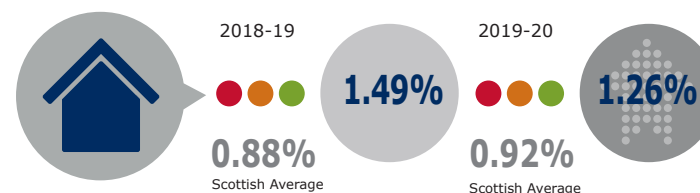
This year, the non-cash loss on disposal of fixed assets was £1m less than the previous year with the loss on components being replaced reducing from £1.6m to £721k. The majority of components replaced with a net book value were heating systems as part of SBHA's EESSH strategy. Proceeds from unlettable properties sold at market value are retained in lieu of future grant for new build.

Non-cash fluctuations occur in accounting for liabilities due to participation in the Local Government Pension Scheme. Measures were taken in 2013 to mitigate the future impact of pension deficits.

Total Rent Arrears as % of Gross Rental Income



Empty Homes Rent Loss as a % of Rent Due



Average Days to Re-let an Empty Home





STATEMENT OF COMPREHENSIVE INCOME for the year ended 31st MARCH 2020

	2020	2019
	£	£
Turnover	23,864,119	22,869,326
Operating Expenditure	(19,424,681)	(19,379,972)
(Loss) on disposal of property, plant and equipment	(763,461)	(1,530,137)
Operating Surplus	3,675,977	1,959,217
Interest receivable	38,400	36,019
Interest payable and financing costs	(1,673,913)	(1,690,527)
Surplus for the year	2,040,464	307,709
Actuarial (loss) in respect of Pension Schemes	1,393,000	(1,138,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,433,464	(830,291)

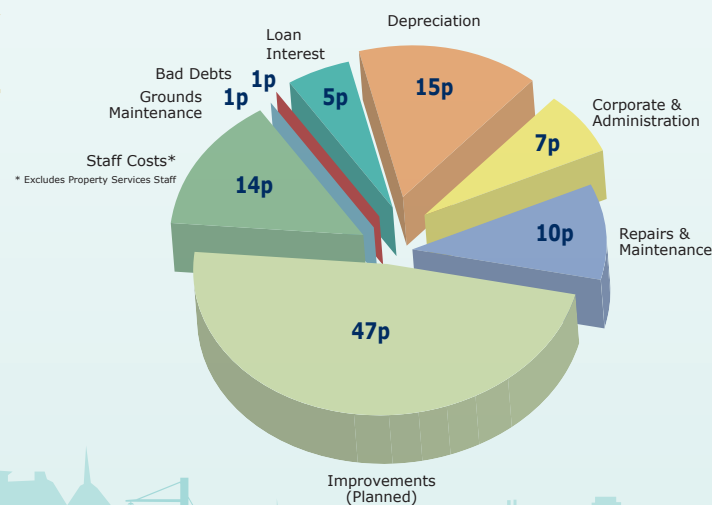
Guide to the Accounts

Income from rents and other services we provide
Cost of running SBHA including money spent on
improvements to homes

Interest earned on cash we invest

Interest paid on money we borrow

How each pound is spent



STATEMENT OF FINANCIAL POSITION as at 31st MARCH 2020

	2020	2019
	£	£
Fixed Assets		
Intangible Assets	106,778	174,794
Housing Properties – Depreciated Costs	74,438,222	70,619,604
Other Fixed Assets	1,904,109	1,921,857
Investment in Subsidiary Company	1	1
	<u>76,449,110</u>	<u>72,716,256</u>
Current Assets		
Properties held for sale	27,725	42,197
Stock	218,081	115,452
Trade and Other Debtors	2,308,897	1,512,844
Cash and Cash Equivalents	15,436,726	7,497,242
	<u>17,991,429</u>	<u>9,167,735</u>
Current Liabilities		
Creditors:		
Amounts falling due within one year	(6,782,907)	(6,612,664)
Net Current Assets	<u>11,208,522</u>	<u>2,555,071</u>
Total Assets less Current Liabilities	<u>87,657,632</u>	<u>75,271,327</u>

	2020	2019
	£	£
Creditors:		
Amounts falling due after more than one year	(42,839,693)	(32,721,843)
Pension Liabilities:		
Defined Benefit Pension Liability	(506,000)	(1,671,000)
	<u>(43,345,693)</u>	<u>(34,392,843)</u>
Total Net Assets	<u>44,311,939</u>	<u>40,878,484</u>
Reserves		
Unrestricted Reserve	44,817,767	42,493,437
Restricted Reserve	-	55,866
Pension Reserve	(506,000)	(1,671,000)
Share Capital	172	181
Total Reserves	<u>44,311,939</u>	<u>40,878,484</u>

The figures shown in this report are an extract of SBHA's Report and Financial Statement for the year ending 31st March 2020. This statement reflects Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for registered social landlords. Copies of the full accounts are available on our website www.sbha.org.uk



Enhancing lives and communities

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**SCOTTISH BORDERS
TENANTS
ORGANISATION**

giving Tenants a voice

Talk to Scottish Borders Tenants Organisation about the range of opportunities to get involved – get in touch via the Tenant Engagement & Communication Team at **01750 724444** or email **communications@sbha.org.uk**

www.sbto.org.uk



See our homes to rent
www.sbhahomechoice.org.uk



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